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HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIFTH SESSION—TWENTY-FOURTH PARLIAMENT

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VOLUME III, 1962

COMPRISING THE PERIOD FROM THE TWENTY SECOND DAY OF MARCH 1962
TO THE EIGHTEENTH DAY OF APRIL 1962, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1962

26207-1—131½

HOUSE OF COMMONS

Thursday, March 22, 1962

The house met at 2.30 p.m.

PRIVILEGE

MR. HERRIDGE—REFERENCE TO EDITORIAL IN TORONTO "TELEGRAM"

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise on a question of privilege affecting the rights and privileges of every member of this house. I do so in relation to an editorial of yesterday's date entitled "Time for an election" in the Toronto *Telegram*. I do not object to the implication in the editorial that the opposition is directing parliament, for I can easily see the validity of this point, but what I do think is a statement in contempt of parliament is the following:

> Within the last few days the Liberal member for Hull deliberately provoked the Deputy Speaker—

Some hon. Members: Hear, hear.

Mr. Herridge: The word "provoke" means "to rouse the anger of". The Toronto *Telegram*, then, is clearly implying that the Deputy Speaker acted in anger rather than in justice and according to the rules of the house in demanding that the hon. member for Hull withdraw certain of his remarks on March 16. This is a slight on the Deputy Speaker and therefore on the position of the Speaker of this house, in our opinion.

In these circumstances I move, seconded by the hon. member for Vancouver East (Mr. Winch):

> That Mr. J. D. MacFarlane, editor in chief of the *Telegram*, be called before the bar of the house to apologize for this insult to parliament.

Some hon. Members: Oh, oh.

Mr. Pigeon: A good joke.

Mr. Speaker: Before the hon. member is permitted to place this motion before the house it is my duty to determine whether or not there is a prima facie breach of privilege involved in the editorial of which the hon. member complains. I naturally approach this subject with every intention and desire of protecting the good name of the chairmen and speakers of the house, which of course is essential to do if the house is to carry out its high responsibilities. However, I find difficulty in following the reasoning of the hon. member when he concludes that the Deputy Speaker is accused of having acted in anger simply from a deduction from the use by the *Telegram* of the word "provoked". If I may refer to the hon. member's statement of privilege, his objection is to the following words:

> Within the last few days the Liberal member for Hull deliberately provoked the Deputy Speaker—

From the use of the word "provoked" the hon. member concludes that the Deputy Speaker is accused of being angry and therefore did not act as he should have acted. Therefore he concludes that the *Telegram* has accused the Deputy Speaker of acting as he should not have acted. In my judgment the inference taxes one's imagination too greatly to be accepted as the basis for a motion.

I find that the Concise Oxford dictionary says that "provoke" means "to rouse". Therefore the *Telegram's* editorial might be interpreted as meaning that the hon. member for Hull roused the Deputy Speaker. Other definitions are "to irritate; to instigate; to tempt; to allure; to call forth". I am afraid that although I agree with the hon. member's desire to protect the Chair, I could not accept the words complained of as being sufficient to raise a prima facie question of a breach of privilege of the house.

AGRICULTURE

DAIRY PRODUCTS—ANNOUNCEMENT RESPECTING SUPPORT PRICES

Hon. D. S. Harkness (Acting Minister of Agriculture): Mr. Speaker, I wish to inform the house of the government's intentions with respect to support of dairy products under the Agricultural Stabilization Act for the year commencing May 1, 1962.

Support for dairy products at the same level presently in effect will be continued for the forthcoming year. In order to increase the consumption of butter, and thus bring consumption and production into closer balance, the agricultural stabilization board will be authorized to lower its buying and selling price for butter from the current 64 cents to 52 cents per pound, effective May 1. This action will have the effect of reducing the price of butter by about 12 cents per pound, which should result in a price of from 56 cents to 59 cents at the retail level.

Dairy Products Support Prices

To maintain support at the present level to dairy farmers who market their milk and cream for manufacturing purposes, and thus whose returns are directly related to the price of butter, these farmers will receive compensatory payments based on the difference between the 64 cents support level and the 52 cents board price for butter.

The price at which the stabilization board will buy cheese will be set in relation to the 52 cents purchase price for butter. Cheese milk shippers will receive the same compensatory payment as is to be made to those supplying milk for butter manufacture.

The revised purchase prices for butter and cheese, plus the compensatory payments, will provide the same measure of support to producers supplying milk for butter and cheese production as is provided under the present support program.

The compensatory payment will be in addition to the 25 cents per hundred pounds subsidy now paid to shippers of manufacturing milk. It will not be paid on milk used in the fluid milk market or on surplus milk from producers shipping to the fluid milk market. The pricing of fluid milk and any control of surplus production in this segment of the industry lies within local jurisdiction in each province. Milk used for the production of concentrated milk products will continue to receive the present subsidy of 25 cents per hundred pounds but will not be eligible for the additional compensatory payment.

The stabilization board has been instructed to enter into discussions with producer and industry representatives with respect to details of the new program, including arrangements for the price transition. Following these discussions a full announcement of the details will be made.

Hon. Paul Martin (Essex East): It will be desirable, of course, to await the details which are to be announced later, as the minister has just told us, before making a final assessment of this announcement of policy. However, the general lines announced by the minister follow pretty well the suggestion made by the national Liberal council last January; and, as hon. members will recall, the hon. member for Leeds, who among others during the course of this session, made representations in this house which we are happy to see have been observed by the Minister of Agriculture.

Mr. Arnold Peters (Timiskaming): We believe the dairy industry itself will be happy that the government has now reached a decision on this matter. I had the opportunity of meeting some of the representatives who were negotiating local contracts in the city of Ottawa some weeks ago, and they had to adjourn their meetings for several weeks because the government had not made up its mind on this question.

The subsidy and the compensatory payments which are being made amount to even more, I believe, than the federation of agriculture has asked for. On the other hand, is the government giving any consideration to bringing into the pattern of these compensatory payments some benefit for the fluid milk industry itself? It would seem to me that until a relationship is established between the fluid milk industry and butter production—

Mr. Speaker: Order. The hon. member should confine his remarks to comment—and brief comment—on the announcement of policy which has been made. He should not discuss extraneous matters, and he should reserve his argumentative approach to the subject until the matter can be debated.

Mr. Peters: The reason this has been mentioned is that the government may find difficulty in putting these compensatory payments into effect unless consideration is given to the fluid milk problem; because this is a butter fat problem, and the suggestion that the prices paid for butter should be lowered affects the whole dairy industry and its interrelated parts. I would only ask the minister to give consideration to this immediately.

[*Later:*]

On the orders of the day:

Mr. Harold Hicks (Fraser Valley): Mr. Speaker, I have a very important question I should like to ask the Acting Minister of Agriculture. In the new policy just announced by the minister, will the position of the milk producers in British Columbia, who have a pooling system under the provincial milk marketing act, be safeguarded by special arrangements? If so, will there be discussions with representatives of the industry in the province to work out the details?

Hon. D. S. Harkness (Acting Minister of Agriculture): Mr. Speaker, as I think the hon. gentleman and other hon. members are aware, suggestions have been made for some two years past by the dairy farmers of Canada and other producer organizations that a scheme somewhat along these lines should be put into effect. As a result of that the producer associations in British Columbia have approached the stabilization board and held conversations with them in regard to what their position would be in the event such a scheme were put into effect.

It was agreed that further discussions would be left until a statement of government policy was made in connection with this matter. Now that this has been done, further discussions will be held with the producer associations of British Columbia with a view to working out an equitable arrangement which will take into consideration the special pooling situation which exists in that province.

RAILWAYS, AIR LINES AND SHIPPING

ESTABLISHMENT OF COMMITTEE ON RAILWAYS, AIR LINES AND SHIPPING OWNED AND CONTROLLED BY THE GOVERNMENT

On the order: Government notices of motion:

March 20—The Minister of Transport—The following proposed motion:—

That a sessional committee on railways, air lines and shipping owned and controlled by the government, be appointed to consider the accounts, estimates and bills relating to the Canadian National Railways and Trans-Canada Air Lines, saving always the powers of the committee of supply in relation to the voting of public moneys; and that the said committee be empowered to send for persons, papers and records, and to report from time to time; and that, notwithstanding standing order 67 in relation to the limitation of the number of members, the said committee shall consist of Messrs. Badanai, Brassard (Lapointe), Broome, Browne (Vancouver-Kingsway), Campeau, Carter, Chevrier, Creaghan, Fisher, Forbes, Granger, Grills, Horner (Jasper-Edson), Howe, Kennedy, McDonald (Hamilton South), McFarlane, McPhillips, McWilliam, Mitchell, Monteith (Verdun), Pascoe, Robinson, Rowe, Smallwood and Smith (Simcoe North).

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

ROYAL CANADIAN MOUNTED POLICE

REPORTED INCIDENT FOLLOWING LETTER TO PRIME MINISTER

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, I wish to direct a question to the Minister of Justice. Is the minister aware that when an unemployed iron ore miner wrote to the Prime Minister asking him to do something about unemployment, according to *The Miner's Voice* of Winnipeg for March 1962—

Instead of receiving a sympathetic reply the miner received a visit from the R.C.M.P. He was told if he repeated insulting letters to Mr. Diefenbaker he would be in trouble.

Has the minister any comment on this report?

Inquiries of the Ministry

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the report is entirely unknown to me. If any such incident took place I should hope it would be brought to my attention. In the absence of any such proof I find it extremely difficult to believe that such an incident actually did take place. If anyone has evidence of any such incident I should be glad to be provided with proof of it so that I may make a full investigation.

POWER

COLUMBIA RIVER—REPORTED SUGGESTION FROM U.S. GOVERNMENT RESPECTING RATIFICATION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Prime Minister. In view of press reports from Washington that United States authorities have declared that the state and interior departments have recommended that the Canadian government be urged to submit the Columbia river treaty to parliament for ratification immediately, leaving what is referred to as an internal dispute with British Columbia to be settled later by arbitration, would the Prime Minister inform the house whether he has received any such extraordinary suggestion from the United States government?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, following the usual rules regarding communications between nations I think I shall go no further than to say that since the hon. gentleman asked me a question the other day as to whether a message had been received from Washington, a message has been received.

COLUMBIA RIVER—REPORTED REQUEST FOR WITHDRAWAL OF FEDERAL AUTHORITY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Finance. In view of a press report that the premier of British Columbia announced on his return from the United States last week that he has asked Ottawa to relinquish its authority on the Columbia project and let British Columbia finance and proceed with the project by itself, would the Minister of Finance inform the house whether he received such a proposal from the premier during his recent discussions and, if so, what action the government intends to take?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I do not think it would be fair to the premier of British Columbia, or to the efforts that have been made in the course of our discussions over

the past week end, to comment on particular points or specific aspects of the discussions which were held.

FEASIBILITY STUDY OF NATIONAL GRID PROPOSAL

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of Northern Affairs and National Resources whether the proposed technical study of the feasibility of the national power grid is to be conducted under his department and, if so, whether there have been any funds appropriated for the purpose.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): The feasibility study will be conducted under the auspices of the committee of ministers that met to discuss this subject last Monday. It will require no extra appropriation.

Mr. Pickersgill: Could the minister say under what vote the expenses will be paid?

Mr. Dinsdale: There will be no additional money required for this study, inasmuch as the departmental officials will be carrying out the necessary technical work.

HOUSING

TORONTO—CONTINUING GUARANTEE OF MORTGAGES ON APARTMENT BUILDINGS

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Is the government continuing to guarantee mortgages on apartment buildings in the Toronto area, when the Toronto press reports a high vacancy rate which is expected to get worse?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I am very happy that the hon. member asked me this question, although he has not given me notice. I did notice the story in this morning's paper. I have checked the metro planning board report upon which the *Globe and Mail* based this story. It is interesting to note the conclusions reached in the report.

Based on the average absorption of 500 units a month that has been the experience since 1959, the market has not reached the saturation point; and, although the average vacancy rate is the highest to date, it represents only a moderate increase over last year and is the smallest increase ever recorded.

Nevertheless, we foresaw several months ago that the pace of construction of rental accommodation was perhaps a little bit fast, even for Toronto. Officials of Central Mortgage and Housing Corporation therefore established a committee that screens all N.H.A. rental applications in the metro area and turns back those for which they judge there will be little or no demand. Since the committee was formed, only 40 per cent of the loans requested for rental units have been approved, and I might add that none has been approved during the past two months.

The N.H.A. content of those rental units presently under construction in metro numbers 6,400. But because of the quality of the buildings and the select basis on which the C.M.H.C. screening committee operates, no difficulty is being experienced in renting them. As a matter of fact the new N.H.A.-financed apartments in Toronto are being rented as quickly as they are completed and available for rental.

We have not, of course in metro any vacancies in limited dividend or public housing projects which are built and financed as rental accommodation for lower income families and for elderly persons.

C.M.H.C.—REPORTED RENT INCREASES TO SENIOR CITIZENS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Minister of Public Works in view of recent correspondence reaching me and press reports to the effect that Central Mortgage and Housing Corporation, which has authority over low rental housing—I refer to apartments and homes—made possible by C.M.H.C. agreements with provincial and municipal authorities, has instructed the administrators to increase the rents of the senior citizens, the blind and disabled by $3 for single persons and $7 for married persons.

May I ask the minister, in view of the $10 increase in pension granted these persons by this House of Commons a few days ago, if the increase in rentals now demanded by Central Mortgage and Housing Corporation was made with the knowledge and consent of the minister. If it was not, may I ask the minister if he will take this matter up with Central Mortgage and Housing Corporation in order to ensure that the old age pensioners who are dealing with Central Mortgage and Housing Corporation receive the full benefit of the $10 increase?

Hon. D. J. Walker (Minister of Public Works): I am having a difficult time following the myriad questions, but I will be happy to sort them out and accept the questions as notice.

LABOUR CONDITIONS

RAILWAY ENGINEERS—INQUIRY AS TO PRESENT POSITION OF DISPUTE

On the orders of the day:

Mr. W. L. M. Creaghan (Westmorland): I should like to address a question to the Minister of Labour. This is an important question, and it affects every member of the house. Can the minister advise the house whether there have been any new developments in the dispute between the locomotive engineers and the railways?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, yesterday I was in touch by telephone with the presidents of both railways as well as Mr. Travers of the locomotive engineers. Following the telephone conversations I dispatched to all concerned in the dispute a telegram which reads as follows:

> —it is in critical interest of Canada and all Canadians that you and your officers resume negotiations . . . and make utmost effort to settle remaining matters in dispute as soon as possible before threatened strike . . . Stoppage of railway operations would be utterly disastrous in its impact on spring upsurge in Canadian economic activity. Please keep me closely in touch with progress of negotiations.

Today I have been advised that as a result of this telegram the parties to the dispute agreed to meet tomorrow morning at 10.30 o'clock.

SYDNEY MINES, N.S.—WORKING CONDITIONS OF FREIGHT HANDLERS

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, yesterday the hon. member for Gloucester asked if I had received a letter from the Princess local, united mine workers of America, at Sydney Mines concerning the Northside freight handlers' association. I have indeed received a letter, and I have asked Canadian National Railways to give me a report on the situation.

ADMINISTRATION OF JUSTICE

REPORTED ACTION IN U.S. COURTS AGAINST ROYAL BANK

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I should like to address a question to the Minister of Justice. I regret that I have not given him advance notice of it. Perhaps he might answer tomorrow if he has not been informed of the matter. Press reports this afternoon have indicated that disclosures have been made in the House of Representatives subcommittee in Washington indicating that the United States government is suing the Royal Bank of Canada with respect to certain cheques that were not stopped in 1960 when there were political difficulties. Will the Minister of Justice indicate whether it is possible to have the United States government in United States courts sue a Canadian corporation for something that seems to involve a commercial transaction in Cuba?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I shall be glad to look into this matter. However, I would have some reservations as to whether, in commenting on it, I would not be called upon to express a legal opinion, and on matters that do not fall within the responsibility of the government. Subject to the reservation that I should only report on a matter in so far as it lies within my responsibility as minister, I shall be glad to look into the matter and report to the house as soon as possible.

SONS OF FREEDOM—PROTEST AGAINST CONSTRUCTION OF SPECIAL PRISON

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I apologize for asking several questions today, but my constituents are provoked. I wish to ask the Minister of Justice if he has received a resolution from the Nelson chamber of commerce protesting his proposal to build a special prison in the Fraser valley for Doukhobor convicts. If so, will he reconsider this matter to see whether dispersal in several prisons rather than concentration in one might be more apt to reduce the anti-social tendencies of these prisoners?

Hon. E. D. Fulton (Minister of Justice): I cannot say at the moment with certainty whether or not I have received a resolution from the Nelson chamber of commerce to this effect. I dare say I have, because I have received a number of communications from individuals and organizations in that area on this subject, to most, if not all, of which I have up to now replied to the effect that, while there is a good deal that can be said in favour of dispersing Sons of Freedom convicted to penitentiary terms in our institutions across Canada, nevertheless up to the present time, owing to the serious overcrowding in our maximum security institutions, this is not possible. We are left, therefore, with no alternative, in the light of the nature of the Sons of Freedom fanatics who are being convicted, and our previous experience with them as inmates of institutions, but to establish a separate institution for them, at least until such time as overcrowding in our institutions has been alleviated.

Inquiries of the Ministry

COMBINES

DRUGS—INQUIRY AS TO REPORT

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of Justice. Last January 30 I asked the minister if he had received any indication as to when the restrictive trade practices commission would report in respect of its inquiry relating to the manufacture, distribution and sale of drugs. The minister replied as follows:

No, Mr. Speaker, I have not a report or any definite indication. However, I can assure the hon. member that in discussions I have received clear assurance that this inquiry is being pursued with all possible dispatch.

I wonder if the minister is now in a position to report to the house in connection with this matter.

Hon. E. D. Fulton (Minister of Justice): No, Mr. Speaker, I am not in a position to add anything to what I said at that time. I have made inquiries from time to time, and there is a good deal of further work and analysis required to be made of the evidence that was taken. All I can say is that the commission is proceeding with all appropriate dispatch, but hon. members must recognize that this is a difficult and complicated task.

(Translation):

SHIPPING

RICHELIEU RIVER—PROVISION FOR PLEASURE CRAFT

On the orders of the day:

Mr. Maurice Johnson (Chambly-Rouville): Mr. Speaker, I should like to direct a question to the Minister of Transport.

Last Monday evening the minister made a statement which was reported as follows on page 14 of the *Nouveau Journal* for Tuesday, March 21:

As early as this spring, we will carry out a study of the problems of boating on the rivière des Prairies.

Also according to the same newspaper, the minister added later on:

The time has come for the government to establish certain regulations and carry out the necessary work so that people may enjoy that sport in all safety.

Could the minister inform the house whether that project would also include the Richelieu river, especially in Beloeil, Chambly and St. John, where boating clubs are very important, not only in regard to boating but also as tourist attractions?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, with regards to navigation, the section of the Richelieu river mentioned by my hon. friend is very different from the rivière des Prairies and rivière des Mille Iles. However, I shall be pleased to look into his request and, if possible, to comply with it.

(Text):

INDUSTRY

NEW BRUNSWICK—PERMISSION TO PUMP OUT MINE SHAFT

On the orders of the day:

Hon. J. A. MacLean (Minister of Fisheries): Yesterday the hon. member for Gloucester asked me a question which I took as notice. I now have an answer for him.

The Fisheries Act prohibits the discharge of any deleterious substance into waters frequented by fish. Since there are substantial quantities of heavy metal compounds such as copper, zinc and lead in the water from the abandoned mine shaft of the Brunswick Mining and Smelting Corporation, there is no doubt that this water would be deleterious. Officials of the Department of Fisheries are at the moment co-operating with the corporation in an effort to devise a method of disposal or treatment which will avoid any infraction of the act.

THE ROYAL FAMILY

THE QUEEN MOTHER—REQUEST FOR DETAILS OF CANADIAN TOUR

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): I have an inquiry to direct to the Prime Minister. Can the Prime Minister give the details of the Canadian tour of the Queen Mother, which has been announced for June?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I would be glad to give the house that information any time I have it before me. I will take the question as notice.

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

National parks branch—

National parks and historic sites and monuments—

648. Construction or acquisition of buildings, works, land and equipment—further amount required, $2,500,000.

Mr. McMillan: We seem to be getting more and more supplementary estimates all the time, and I do not know how we are going to get the money to meet them. However, I think we should be trying to cut down our expenses. The government promised to cut

out extravagance, and I hope there is no extravagance in this vote. On February 14 last, as recorded at page 851 of *Hansard*, question No. 133, the hon. member for Port Arthur asked a question in four parts. The first part read:

Has the Department of Northern Affairs and National Resources spent any money to restore completely Arizona Charlie's famous Palace Grand dance hall for the occasion of the Dawson city gold rush festival?

The minister answered:

Yes, the Palace Grand theatre is being restored as a national historic site in time for public use during the gold rush festival.

I may say that I have seen a sketch of this dance hall, and it looks like a dance hall with a stage at one end and a bar to the side of it. As the second part of his question the hon. member for Port Arthur asked:

If so, (a) what was the amount (b) under what vote or statutory provision is the money being expended?

The answer was:

(a) $138,463, to December 31, 1961.

(b) Funds are provided in vote 285, national parks and historic sites and monuments—construction or acquisition of buildings, works, land and equipment; statutory authority is provided in the Historic Sites and Monuments Act.

I think the funds are being provided under this vote; at least we did not hear about the project last year under vote 285. As I say, I have read something about this dance hall in magazines but I do not pretend to know whether it is a dance hall or a theatre. Evidently it was run during the time of the gold rush by a wealthy American called Arizona Charlie who was in pursuit of more wealth by providing the boys with liquor, gambling, and other diversions for a price.

Mr. Benidickson: And this is to be an historic site.

Mr. McMillan: To support what I say I have here a book on the Yukon, and I have read about it in magazines. This is a book from the library of parliament entitled "The Yukon", published by Hinton & Godsell, and it says that Arizona Charlie's Palace Grand was in competition with the Tivoli, Nigger Jim's Pavilion and other places in providing select entertainment, liquor, gambling, etc. I can tell the house something about this establishment, as I have read about it. There are accounts of painted dancers and other ladies who were present as an adjunct to such an establishment. Hon. members will find all that in this book; and now this dance hall, or theatre as the minister prefers to call it, has been declared an historical site, a shrine, or a monument and I want to know why.

Mr. Pickersgill: A shrine?

Mr. Dinsdale: A site—spelled s-i-g-h-t-.

Mr. McMillan: I wonder is it to perpetuate the memory of Arizona Charlie, the ladies of the night or those who spent their substance there. I believe that declaring this place an historical site was a device in order to spend $138,000 on this particular project. It seems to me that if the government had this money to spend it might have been better spent on some memorial school, a small memorial hospital or something of that nature, because after all Dawson City is a small place. I do not think we should be spending money on this dance hall or theatre, call it what you will.

Mr. Martin (Essex East): What is the amount involved?

Mr. McMillan: The minister may tell us how much is being spent on this building. We know that $138,000 was spent up to the end of the year, but in his answer he indicated that it was not completed.

Mr. Benidickson: This particular minister is the last one who should spend money that way.

Mr. McMillan: The minister might also tell us when the official opening of the building will take place, what inscription will be on the plaque which will probably appear on the front of the building, and whether the Prime Minister will attend the opening and dedication.

Mr. Benidickson: "Opened by Right Hon. Walter Dinsdale"?

Mr. McMillan: The opposition spent many days last year on the estimates of the department of northern affairs, and we did not hear anything about this particular building. As I said, it was concealed in vote 285 under the acquisition of buildings, etc. We are now accused by the Prime Minister of holding up the estimates, but we always try to be vigilant and find out all we can. That is our job, but evidently in this case we were not vigilant enough and did not take enough time. I brought up one matter of extravagance in this department, and I think it is up to the minister to answer some of these questions.

Mr. Fisher: I am glad the hon. member who preceded me brought up this question, because I was going to touch on it myself. I must say that in view of the personal reputation of the minister I was surprised to see this item. I know he has a sense of publicity but I also know he has a certain moral attitude, and I suppose one cancelled out the

other and that is why we did not hear about Arizona Charlie's joint last year when we were dealing with the estimates.

I wanted to ask him some further questions on this. I appreciate the information that is on page 852 of *Hansard*, but my questions were generated by a quite interesting article written by Pierre Berton in the Toronto *Star* of February 5. The minister may have seen it. I suppose Mr. Berton has a bit of a professional interest in the Yukon since he has been involved, I think, in a television series and has published a very entertaining book on the Yukon. He says a number of things in this article upon which I think the minister should comment just to set the record straight. This is apart from the questions asked by the hon. member for Welland, which I think concentrated on the point as to why the minister was so reticent last year and what are the plans for this year. Here are some of the points I should like to put to the minister. Mr. Berton says:

> The more I think about this project, the more insane it sounds. But that is exactly why it has sparked so much interest. It is so wacky, so unlikely, so off-beat, that everybody wants to go.

This article goes on:

> Sedentary types who normally wouldn't be caught farther afield than the Four Seasons motel are now coming up to me and saying, fiercely: "I've just got to go!"

Of course where they are going is up to the Yukon. Apparently an entire Broadway company is going up there to put on a new musical that is, I gather, an adaptation of the famous Ben Jonson play about gold and greed called Volpone. Again, this is such an imaginative thing that I wonder why the minister has been so discreet and reticent about it. How often does a Broadway musical come to Canada and, of all places, Dawson City in 1962? Why this mystery; why this cloister that has been placed around it by the government? It seems out of keeping with the past behaviour of this government. I have never known such modesty and at the same time such imagination, because Mr. Berton goes on to say:

> Of course, all this is tentative, Broadway musicals being what they are. But contracts have been signed and the book is being written. I'd say there is at least a two to one chance of pulling it off.

So the odds are pretty good. He goes on:

> I hope so because the department of northern affairs has spent something like $200,000 completely restoring Arizona Charlie's famous Palace Grand dance hall just for the occasion.

Mr. Pickersgill: Mr. Chairman, I wonder whether the hon. gentleman would permit me to ask him a question?

Mr. Fisher: Yes.

[Mr. Fisher.]

Mr. Pickersgill: Would he interpret this as free enterprise or socialized entertainment?

Mr. Fisher: I like to draw my own moral at the end of my remarks. If the hon. member will wait I will try to do that. I did want to go on to this—

Mr. Benidickson: The same price to everybody.

Mr. Fisher: Mr. Berton also says:

> This is probably more than Charlie spent on it, since he built it from the remains of two steamboats.

Was the Minister of Public Works consulted in this business? It seems to me that if this is a complete rebuilding job—I understand there are a lot of old steamboats up around that area—knowing the vigilance of the Minister of Public Works, this seems an ideal project for him. Anyway, Mr. Berton goes on:

> The department's sleuths have been combing archives and writing old vaudevillians in order to reproduce the decor exactly as it was when the dance hall was built in the spring of 1899. The exterior was completed and the building closed in before the cold weather started last fall and the interior decorators are now at work on the final touches. The restoration of other buildings will depend on private funds which so far have been slow in coming in.

I think we need to ask the minister what assistance he has been giving in bringing in private funds. I gather that the government has accepted the responsibility of building up Arizona Charlie's place but the rest is going to be filled in by private enterprise. This leads me to the point that the hon. member for Bonavista-Twillingate mentioned. I can look at the roads program and all the other parts of the vision of the north, and always the call is that the government shall go in and lay the ground work and the basis for private enterprise. I want to ask the minister, is this project consistent in the same way, and is it also a constructive part of the vision? It seems to me it would be worth while knowing that.

Further on Mr. Berton gives a résumé of what is going to be included in the tour. He sets out the Gold Nugget tour for the first, second and third days. I was just stunned, again, at the reticence in this. I cannot find mention of a single political speech in here. I want to ask the minister, does he mean to say that after an expenditure of some 200,000 bucks on a place like this there is not going to be a politician there to open it or at least make a few remarks?

Mr. Pickersgill: It will be the first opening the Prime Minister has missed.

Mr. Fisher: I want to know more about this. The concluding paragraph of Mr. Berton's article is as follows:

> Crazy or not, the Dawson city gold rush festival is likely to make its mark as one of the most imaginative undertakings of its kind in Canada—

I see the minister nodding. This all becomes part of the vision. Again I ask, why this modesty up to now? Mr. Berton goes on:

> —a genuine attempt to make use of our own history and natural resources and to provide something for visitors that cannot be obtained elsewhere. It is not a money making proposition, of course, and, indeed,—

And here is the question again, this nagging one:

> —unless further funds are subscribed from the public it's possible that it could founder.

Does this mean that private enterprise is not coming through? This article is several weeks old and Mr. Berton may not be up on things, but I think we need a report from the minister on how private enterprise is responding to this government initiative. Mr. Berton concludes:

> So if you have any rich old uncles who would like to underwrite the restoration of an historic building or so, drop me a line. This is one of the cradles of our gaudy past. It would be a shame to see it crumble into dust for lack of public interest.

This exciting description of the festival, the project and the government's role appeared in what I have always heard government members refer to as "that Liberal newspaper", the Toronto *Star*. Here is a Liberal newspaper, through one of its most noted correspondents, publicizing in tremendous fashion a part of the northern vision, and we have had an inadequate response—I think we can criticize the minister for this—from the government in this regard.

I asked this simple little question and I thought it might elicit some interesting details. I have seen it happen before that a person will ask a question and a minister will take off. The Postmaster General, I am sure, knowing his capacity and sense of advertising, would have done so. I cannot quite understand why I received such a terse answer in this regard. For this reason I would like to support the hon. member for Welland in the questions he has put, and I hope we will have a further explanation of the government's role in this project and what its future looks like at the present time.

I really cannot ask for this, but I would like to suggest to the minister that if there is a moral question involved in all this, as seemed to be adumbrated by the hon. member for Welland, I think the committee would appreciate his comments; because it is not too often that we have the opportunity to receive a moral judgment upon Canadian history. In this particular case I think we would all be delighted to have the Minister of Northern Affairs and National Resources tell us his own views on this festival and the part his department has played in giving leadership to private enterprise.

The Chairman: The hon. member for Grey-Bruce.

Mr. Pickersgill: Mr. Chairman, before the minister replies there are one or two observations I would also like to make on the—

The Chairman: Order. I have recognized the hon. member for Grey-Bruce.

Mr. Winkler: I do not wish to take up the time of the committee for long. I certainly do not intend to reply to the points which have just been raised, but I would judge from the contribution made by the last two hon. members that there must have been some very strong local emotion attached to the restoration of this saloon or hotel up north, Arizona Charlie's; and if it is ever made available to the public for public use I should be surprised if in some subsequent political campaign we do not see some billing like "Tonight we present Wild Walter from Welland" or maybe "Dangerous Doug from Port Arthur". Time will tell.

My remarks will not be along those lines at all. I should like first of all to compliment the minister on the efforts which were made on behalf of Canada at the resources for tomorrow conference held in Montreal last fall.

Mr. Pickersgill: I am rising on a point of order. We are discussing an item having to do with the construction and acquisition of buildings in connection with national parks and historic sites. You recognized the hon. member, Mr. Chairman, no doubt because you assumed he had a valuable contribution to make in connection with the subject under discussion. The hon. member is now going on to discuss something which has nothing to do with this item. There are some of us who are interested in this Arizona Charlie and in the effort to restore him, and I feel this is one occasion when the rules should be strictly observed and that we should be permitted to deal with this item before we go on to discuss other items which do not appear to be comprehended in the estimates at all.

Mr. Winkler: I shall get to my point very soon, and I shall only say to the hon. member from Bonavista-Twillingate that if he would refer to the discussion of supplementary estimates during the last 12 days or so he would see that it is surely ridiculous for him to bring up such a point of order as this. I will get to my point immediately—

The Chairman: Naturally the discussion must centre on the item, and I expect the hon. member will be relating his remarks to the item.

Mr. Winkler: Most certainly. The reason I mentioned the resources for tomorrow conference was this. Out of that conference came some results which will be beneficial to the people of Canada with regard to parks. I regret very much that the hon. member for Bonavista-Twillingate does not want to allow just a minute for another member of the committee to get to his point, though he takes hours at other times.

Mr. Pickersgill: Take whatever time you like.

Mr. Winkler: I will speak of this matter in relation to my own province of Ontario. In Ontario we have an organization known as the Federation of Ontario Naturalists. Representatives of that organization attended the Montreal conference, being interested in the establishment of parks, regardless of under what authority. I am speaking today simply because in the past I have had the pleasure of trying to persuade the minister's department to become interested in the particular area of Ontario in which I live and in other areas immediately adjacent to my constituency.

I speak of the shores of lake Huron and Georgian bay. I indicated on a previous occasion that these are excellent park sites. Off the Bruce peninsula exists the only national park, I believe, in the province of Ontario. I am aware that since 1958 the minister's department spent, in connection with the parks program, some $3.5 million in the province of Ontario for the establishment of camp grounds and picnic areas. These facilities are certainly used to tremendous advantage, and that is apparent even in my own area.

I do believe, however, that because of the importance of preserving it for posterity the establishment of the area I have referred to as a national park should be taken under consideration. When we read the requirements of the department with regard to such parks we realize that this would be a worthy project and that it should be undertaken before it is too late, if it is not already too late. I should like to read these requirements into the record:

> The national park system, is a resource. Like timber or minerals the national park resource has value to man only when it is made useful to man. Parks differ from other resources, chiefly in the nature of their products. Mines and commercial forests yield material products required by the nation. Parks yield the products of knowledge, refreshment and aesthetic enjoyment equally required by all people. The only way these products can be obtained and the supply assured is through intelligent and appropriate use of park resources by people.
>
> Maintaining the park unimpaired, or preserving it, is a very real part of our obligation. Preservation and use are not irreconcilable. The basic park values are supplied by the natural scene undamaged and unimpaired. To change the character of the park scene or to modify or impair the natural environment, destroys a part of its capacity to yield those benefits to the visitor.

In the area to which I have referred there are many of these characteristics which are worthy of being retained, but I fear that in the near future they will be destroyed through unscrupulous development by speculators if the government does not take the opportunity which exists at the moment. The membership of the Federation of Ontario Naturalists is well aware of these dangers. Very recently the organization, with the co-operation of its members, established a trail which will be known as the Bruce trail extending from the Niagara peninsula northward to the tip of the Bruce peninsula. This endeavour is being promoted by Mr. D. E. B. Webster, the managing director of the F. O. N., and part of the trail will be available for public use this year. If the representations which I have made to the department in the past had been followed—and I ask that they be reviewed and put into effect, if possible, in the near future—this trail will terminate at such a park site. The only park which exists at the moment is at the top of Bruce point, and this is where the trail would end.

I understand the minister is now prepared to extend the recreational park system to all the provinces on a co-operative basis, and I ask him to press for the extension of this park program before the land that is available is taken by speculators. I ask him particularly to consider the previous recommendations I have made to him in this regard.

Mr. Pickersgill: Before I begin what I wish to say about Arizona Charlie, in view of the intervention of the hon. member for Grey-Bruce I would just like to draw Your Honour's attention to a libelous reference to this committee—and I use the word "libel" in its true sense—which appeared in an editorial in last night's Ottawa *Journal*. It said:

> A small rump of his party—

That is Mr. Pearson's party, the Liberal party.

> —remaining in the house were holding up supplementary estimates—taking 14 days for a job which usually takes up not more than three or four days.

The hon. member for Grey-Bruce has just demonstrated who has been taking up a very large part of the time in this committee. There have been more speeches from the

Conservative side than from the Liberal side in these last 14 days, and it is about time the truth was stated.

Mr. Pigeon: He only spoke for five minutes and you spoke for two hours.

The Chairman: I think, first of all, that some semblance of order should be kept so those who have the floor may be heard. I believe that the remarks the hon. member just made are not directed toward the item.

Mr. Martin (Essex East): They were just made in passing.

The Chairman: Well, I think the hon. member will admit that his remarks should be directed to the item. I therefore hope he will continue to discuss the item and the item alone.

Mr. Pickersgill: I certainly will, sir.

Mr. Winkler: On a question of privilege, Mr. Chairman, may I suggest that the hon. member for Bonavista-Twillingate should go back one night previous, to Tuesday night's paper, and read the first letter to the editor. If he does so he will then have the answer he requires.

The Chairman: Order. Every hon. member who is recognized has the right to speak and make the remarks he feels he should make provided they are relevant and according to the rules. I am sure the hon. member who has the floor will do so and that those who follow him will do likewise.

Mr. Pickersgill: I, of course, will comply with your ruling, sir, but I know you would expect me also to reply to the hon. member for Grey-Bruce who instituted a debate. I would make one observation and one observation only, that more supporters of the government than members of the official opposition have spoken on the supplementary estimates, and that is a statistical fact.

The Chairman: Order. That statement has been made by various hon. members on either side of the house. The Chair is not at all interested in hearing a discussion on that subject. All the Chair is interested in is that the discussion be strictly relevant to the item. I would therefore ask for everyone's co-operation so that the discussion may proceed on an orderly basis. I know that the hon. member for Bonavista-Twillingate will abide by that ruling.

Mr. Pickersgill: Well, Mr. Chairman, having corrected Mr. Grosart's propaganda I can now go on with the business before the committee. I simply wished to draw attention to it, sir, because it is an extraordinary misrepresentation that is going on in the country, and the people of Canada deserve to know the truth. What I wanted to do was to get to Arizona Charlie's—

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

Mr. Pickersgill: Am I being interrupted again, sir?

The Chairman: The hon. member for Bow River is rising on a point of order.

Mr. Woolliams: Mr. Chairman, surely the hon. member for Bonavista-Twillingate, who has a great deal of experience in this house, should follow the direction of the Chair and adhere strictly to a discussion of the item before us.

Mr. Carter: Is that all?

Mr. Pickersgill: Well, Mr. Chairman, I must say there is no hon. member whose opinion on any subject will impress me more than that of the distinguished and elevated hon. member for Bow River. We know how much that hon. gentleman has done to raise the tone of public life in this country, and we are very glad to have him bring us all to order in this committee.

An hon. Member: How about getting on?

Mr. Pickersgill: An hon. gentleman asks me how about getting on, but hon. gentlemen opposite fail to ask supporters of the government when they are really not talking about the item at all how about getting on. They do not interrupt their own speakers, who take more time than we do.

Mr. Cardiff: You have not started talking about it yet.

Mr. Pickersgill: No, because the hon. member for Huron in that garrulous fashion of his keeps interrupting.

Mr. Cardiff: On a point of order, Mr. Chairman, there is no hon. member in any quarter of this House of Commons who wastes more of the time of this house than the hon. member for Bonavista-Twillingate.

Mr. Pickersgill: Well, sir, if the honourable and distinguished member for Huron were not the amiable gentleman he is I would have to raise a question of privilege about that, but we know the hon. gentleman does not mean it, that the milk of human kindness flows through his veins, and that he is just saying this for the record. I think we will leave it on the record along with Arizona Charlie's and Nigger Jim's as a record of the new heights to which this government has raised the northern vision.

When my friend the hon. member for Welland began speaking about the northern vision and then told us about this bar at Arizona Charlie's, I wondered whether that particular project was part of the northern vision conceived before or after the conceiver had been at the bar, because it does seem to me to be the kind of vision that only comes at that sort of time.

This whole question of the restoration of Arizona Charlie's—and I imagine Charlie was white; he might not have been, but I imagine he was—raises a very difficult problem for the Prime Minister which the Minister of Northern Affairs and National Resources will at once recognize. We, sir, in this parliament enacted a bill of rights, and surely we are not going to have discrimination against Nigger Jim. If we are going to spend a quarter of a million dollars restoring the palais de danse of Arizona Charlie we will have to spend an equal amount on Nigger Jim's just to show that we really believe in the principles of the bill of rights. I am not advocating that. I am just pointing out that that would be consistent with those lofty principles which were embodied by the Prime Minister in the bill of rights and commended to us and accepted by this house.

But I am wondering whether the conception came from another quarter, and I really think it is something we ought to inquire into when we have members of the government on the treasury benches spending the public money—I was almost tempted to say drunkenly, sir, but that would be out of order; nevertheless you can understand why I was tempted to say it—on a project of this kind as a so-called historic monument, a shrine. I just wondered whether perhaps the real conception was not in the fertile mind, the almost too fertile mind, of the rather underemployed Associate Minister of National Defence; because we remember the profession of political faith made by the associate minister in February of last year, just over a year ago. That was before he was promoting steel plants. At that time he was—

Some hon. Members: Order.

Mr. Pickersgill: Well, sir, this is very relevant, as you will see in just a moment. The associate minister said:

> "In my riding, I organize dances, fashion shows, and so on. Under the Roman empire, you know how the caesars ruled over their subjects, with bread and games. When no bread was available then games were organized.

Mr. Fulton: Mr. Chairman, would the hon. gentleman identify what he is quoting from?

Mr. Pickersgill:

> "You know that the federal government is unable to grant all kinds of favors."

[Mr. Pickersgill.]

Mr. Fulton: Mr. Chairman, may I ask the hon. member what he is quoting from?

Mr. Pickersgill:

> "If there is no bread, then there will be games."

Apparently it is not just going to be games; it is going to be fun and games.

Mr. Pigeon: Horses on the payroll.

Mr. Pickersgill: One quarter of a million dollars will be spent in what is now a small and historic village, a shrine, a "palais de danse", Arizona Charlie's place. That is what this government can do, but it cannot find jobs for more than half a million unemployed. It seems to me that with the kind of deficits we have, with the kind of situation the Minister of Finance is faced with, there are better ways to spend a quarter of a million dollars than on recreating a place which, according to what little information I have about it—and I must confess that I do not have the same taste in literature as my friend the hon. member for Welland, and I take his word for it—was a place where the poor fellows who went out in the creeks and found the gold were shaken down. If that is something that is worth another quarter of a million shaken out of the pockets of the Canadian taxpayers in order to perpetuate the memory, I think it is time we were finished with this government and with the northern vision which seems to have been distorted at Arizona Charlie's bar.

(Translation):

Mr. Fortin: Fifteen minutes of nonsense.

(Text):

Mr. Dinsdale: Mr. Chairman, I have heard three dissertations on the subject of grand Charlie's palace, "le palais de danse", as the hon. member for Bonavista-Twillingate referred to it, and I think it is just about time that these hon. gentlemen were brought out of orbit down to face reality again. As I listened to the extravagant language used, particularly by the last speaker, the hon. member for Bonavista-Twillingate, I concluded that if I did not know him better I would almost suspect that he had been visiting Charlie's palace and had been too close to the bar; because the language was extravagant and beyond any sense of proportion.

Mr. Pickersgill: Not as extravagant as the project.

Mr. Woolliams: Shut up; you had your turn.

Mr. Dinsdale: It is quite true that what is known as the Grand Palace theatre back in the early days might have been associated

with some of the activities outlined by the hon. member for Welland, but that was under a Liberal regime. Any restoration that is going on at the present time will, of course, be under a Conservative regime. I can assure all the hon. members who have spoken on this subject that every activity that takes place in the Grand Palace theatre will be highly respectable and for the edification of the thousands of tourists who are going to visit Dawson city in the current tourist season.

Actually I am very pleased that this subject has been raised in the House of Commons. As the hon. member for Port Arthur has intimated, there has not been too much publicity concerning this question, and there is a very good explanation for that fact. It is not because of undue modesty on the part of the minister. It is because only in the past few weeks plans have been completely formulated for the staging of what has become known now as the Dawson city gold rush festival. Hon. members have implied that this project was conceived by the government, or that the decision to restore the Grand Palace theatre as a shrine was that of the government. I do not know to what faith the hon. member for Bonavista-Twillingate belongs. However, for him to refer to this as a shrine indicates that he is indeed twisted in his thinking on historic sites.

Mr. Pickersgill: I was repeating what the hon. member for Welland said.

An hon. Member: He who repeats is equally guilty.

Mr. Dinsdale: Yes. This is an historic site pure and simple. Even the hon. member for Bonavista-Twillingate should be able to appreciate that point.

Mr. Pickersgill: I rise on a question of privilege. It may be simple but certainly, judging from the description, it is not pure.

Mr. Dinsdale: I said pure and simple. Let us not go back to its experience under a Liberal regime; let us stick to contemporary times. The decision to declare the Grand Palace theatre an historic site was made by a no less distinguished group than the historic sites and monuments board, which includes among its membership some of the most distinguished historians in Canada.

Mr. Fulton: Perhaps it is jealousy that motivates the hon. member for Bonavista-Twillingate.

Mr. Dinsdale: Yes. It is not only jealousy. There was a sort of wistfulness in what the hon. member said.

Mr. Pickersgill: I am rising on a question of privilege.

An hon. Member: Who is taking up time now?

Mr. Pickersgill: I am. I am rising on a question of privilege in a free parliament. The Minister of Justice, echoed by the Minister of Northern Affairs and National Resources, accused me of jealousy.

Mr. Dinsdale: I said "wistfulness".

Mr. Pickersgill: "Jealousy" is now an unparliamentary word. Indeed, it is a vicious attack. We have read editorials from one end of this country to the other to the effect that when an hon. member is accused of jealousy, a vicious attack has been made upon him. In view of the attitude taken by hon. gentlemen on the other side of the chamber, I feel that word should be withdrawn by the Minister of Justice, if he has any sense of justice and any sense of fair play. I say that in view of the tremendous fuss his friends made when an hon. member on this side of the chamber suggested that an honourable and distinguished member on the other side of the chamber was guilty of jealousy. Personally I would not worry about it, Mr. Chairman, but I am suggesting that the same treatment be given to both sides of the chamber.

Mr. Fulton: I do not wish to prolong this discussion. What I said was that it is probably jealousy that motivates the hon. member for Bonavista-Twillingate. If he finds that his sensitivity will not absorb that remark, I shall be glad to withdraw the word "jealousy" and say "green eyed envy".

Mr. Dinsdale: I was just about to indicate that distinguished historians made the decision, as is the case in respect of all historic objects and sites that are designated as such. I refer to Dr. Creighton, Professor Lower and other men with very distinguished historical qualifications. I am afraid that my friend the hon. member for Port Arthur has misinterpreted completely the story of Pierre Berton. Actually the association of the department and the government in the Klondike or gold rush festival is quite incidental. Our only connection is the restoration of the Grand Palace theatre. The moving spirit behind this very imaginative project is Mr. Tom Paterson—who, a few years ago, was responsible for the establishment—and indeed I might use the word "creation"—of the Stratford festival. At the time Mr. Paterson conceived of the possibility of a Shakespearian festival being located in Stratford, Ontario, criticisms very much similar to those that have been raised in this chamber this afternoon were made against the project of those days.

Mr. Fisher: May I just ask the minister a question at this point? He is not suggesting that my remarks were made in a spirit of criticism, I hope. I was just asking for information. I felt that one could really not criticize until one knew more about the project.

Mr. Dinsdale: When I referred to criticism I think perhaps I should have directed my remarks more to the hon. member for Welland and the hon. member for Bonavista-Twistingate; excuse me, I mean the hon. member for Bonavista-Twillingate. The organization behind this imaginative program is the Canadian Theatre Exchange Limited, which is known for its outstanding capacity in promotional efforts of this kind. In association with the Canadian Theatre Exchange a local organization, namely the Dawson city gold rush festival foundation, which is made up of citizens in Dawson city, is sponsoring the local arrangements.

Reference has been made to the appeal for funds in order to make this project a success. The membership of this fund raising committee includes men who have had faith in the north. That is more than our friends in the Liberal party have ever had.

Some hon. Members: Oh, oh.

Mr. Dinsdale: Anything that has taken place in terms of northern development in recent years has been described as jumping "from igloo to igloo". That is a direct quotation from the Leader of the Opposition. More recently a Liberal senator has referred to Canadians in the north as ignorant Eskimos. I merely point this out this afternoon as an indication—

Mr. Martin (Essex East): Let us not get political.

Mr. Dinsdale: —that they have a completely biased and twisted viewpoint toward the possibilities of the development of Canada's north. The men who are sponsoring this project are hard headed business men who have gone into the Yukon territory and developed the mining activities which during recent years resulted in an upsurge of development in all parts of northern Canada.

However, what has occurred here this afternoon I feel will be of immense benefit to the festival. The one quantity that it has lacked was sufficient publicity. I am sure the remarks of the hon. members will have drawn attention to the significance of this project. Having listened to the hon. members on the subject I am quite convinced that, along with the 40,000 other people who it is anticipated will visit the festival between July 1 and the middle of August, we shall find the hon. member for Port Arthur, the hon. member for Welland and even the hon. member for Bonavista-Twillingate wending their way down the Alaska highway into the north in order to come into contact with the realities of the north for the first time.

Mr. McMillan: I do not think the minister answered too many of the questions I asked him. What is the total cost of this project?

Mr. Dinsdale: This question had already been submitted by the hon. member for Port Arthur some weeks ago and, while I have not the figure before me, I think it was around $200,000.

May I say that this is an historic restoration, as a result of which this gold rush festival has already developed. This is the sort of activity that has put our Canadian tourist industry in the front rank as a dollar earner in Canada. I am sure the hon. member for Welland is aware of the impact on the economy of the Upper Canada Village development. This is a project of similar proportion. I think the hon. member would be better advised to be promoting some of the historic restorations that are being undertaken in his part of the country, such as the Welland canal project, rather than criticizing an imaginative project of this kind.

Mr. McMillan: I was just asking for information, I was not criticizing. It was $200,000, was it?

The Deputy Chairman: Order. I recognize the hon. member for Grey North.

Mr. Noble: I am going to make a few observations, but I assure the minister that I am not going to take too much of his time. In listening to the discussion that has taken place and the remarks made by members of the opposition, I felt that Erik Nielsen and Dawson city are going to be grateful for the publicity given them in kicking off this project. I feel it is going to mean many thousands of tourist dollars for this area.

We have in Grey county the highest point of land in Ontario. It is 1,735 feet above sea level. This is the great watershed of a vast territory of western Ontario. This great ridge, which embraces approximately 40,000 acres, should be completely reforested. Much of the territory adjacent to this natural divide and fountainhead of many Ontario rivers is not suitable for economically sound agriculture, and many of the farms are now vacated. In my opinion this whole area should become a national park.

If the plan I have in mind were carried out it would assure the restoration of all the rivers stemming from this part of the province to their natural flow. This would embrace the Grand, the Humber and the Credit rivers, which flow south; the Saugeen, which flows

west, as well as the Beaver, the Bighead and the Sydenham, flowing into Georgian bay. Development of this area for the purpose of a national park would benefit many thousands of people. Located as it is, close to densely populated areas, it would be of great convenience to many people who have limited time and means for holiday trips and visits to our great natural outdoors.

The restoration of this area through reforestation and other projects necessary for park development would not only restore the natural beauty, but would in time restore water levels which more and more are becoming serious problems in all western Ontario. I believe I am correct in saying that we do not have a national park in the province of Ontario, other than Pelee island and possibly a few small islands in Georgian bay—

Mr. Martin (Essex East): That is a very important park in a very important county, the county of Essex.

Mr. Noble: Thank you, sir. I do not know of a more logical area in which to establish a national park. Therefore I urge the minister to have a survey made in order that he might become more familiar with the area and its great possibilities. I am sure that he and his department will be impressed with what could be accomplished with a national park in Grey county and perhaps suitable adjoining areas.

Mr. Nixon: I have one question for the minister before I deal with another matter. According to an answer delivered on February 14 to the hon. member for Port Arthur, the cost of restoring this Grand Palace theatre was $138,463 up to December 31, 1961. Has any money been expended since that time, or is that the total amount?

Mr. Dinsdale: As I indicated, there has been a continuing expenditure for this restoration. I would presume that the figure would now be around $200,000. I have not the total cost before me at this time, but I am sure my officials will bring me up to date in a moment.

Mr. Nixon: We can have those official figures, then? The minister will recall that on several occasions I have raised the question of the restoration of the old stone house in Sault Ste. Marie. This building is roughly 150 years old. The minister has had an opportunity of visiting it himself, I believe. A sum of $35,000 was appropriated for this purpose but has been deleted from the estimates for 1961-62. I wonder if the minister could say whether there have been any further developments with regard to the purchase of this building or its restoration.

Mr. Dinsdale: It is quite true that the hon. member has been interested in this subject for the past several months. I appreciate his support for historic objectives of this kind. So many of the members of this committee seem to fail to appreciate that the government does have a responsibility in commemorating and marking those areas in Canada which have an outstanding historic significance and which might properly be classified as national historic sites. The government has been increasingly active in this field during the past few years. There was tremendous neglect in commemorating these areas, and many of them were lost forever as a result of this neglect.

I can assure the hon. member that so far as the old stone house at Sault Ste. Marie is concerned, I have been in correspondence with the local officials. Certain proposals have been made to the city officials, and we are at this moment awaiting a reply from that source. Actually I think it is possible to say that we have made a certain offer to the city of Sault Ste. Marie, and as soon as we hear from the city we can continue our negotiations in respect of this historic site.

Mr. Nielsen: I feel I should say a word or two about the restoration plans for the Grand Palace theatre, since this building lies within my riding. I was not surprised to hear the derisive and ridiculing remarks of the hon. member for Bonavista-Twillingate, because these are the type of remarks we can expect as a result of the half consideration the opposition gives to northern development as a whole.

Mr. Martin (Essex East): That is wholly inaccurate; nobody has done more for northern development that has the Liberal government.

Mr. Nielsen: Ever since 1958, when the party on the other side of the house put forward a non-confidence motion on the introduction of plans for northern development, there has been a constant program of ridicule, scorn and derision directed at northern development by the members of the opposition. Forty per cent of Canada lies above the 60th parallel, and that part of Canada also has a history.

Mr. Dinsdale: The Liberals don't know that.

Mr. Nielsen: Millions and millions of dollars have been contributed to the national economy by the Yukon territory, and by this particular area alone. The restoration of this theatre is an integral part of an over-all plan for resurrecting the atmosphere of the days of '98 for the attraction of tourists, and for

the restoration of a part of Canada that has played a very important role in the development of our nation.

Because of the type of remarks which have come from the hon. member for Port Arthur in times past, I was not surprised to hear him ridicule and criticize this program of the department with respect to the restoration of the Grand Palace theatre for the Yukon gold rush festival. This is not surprising at all, I suggest that hon. members opposite would feel that the establishment of a national park in Yukon territory would also be a waste of money.

I suppose they would feel it is not in the interests of the national economy to attract tourists to the north, but I must differ with them. The government, in comparison with the over-all effort which is being put into the success of the Dawson city gold rush festival, is a small partner. There is a very active Dawson city festival foundation which had been in existence for almost two years and which is comprised of local residents in the Yukon territory. Just last February in Whitehorse we put on a winter carnival to raise funds to ensure the success of the festival. Mr. Alan Anderson, who is president of a large mining venture in Canada and has been an active mining man in the north for many years, is head of the fund raising campaign to ensure the success of the carnival. As a matter of fact only last night a fund raising dinner was held in Toronto. These are some of things which are being contributed by the private organizations that have been established in order to ensure the success of the festival.

The remarks of the hon. member for Bonavista-Twillingate with respect to the festival and the attraction of tourists to the area are but a small example of his continued disinterest in northern Canada generally. I would like to enlighten the hon. gentleman in regard to what a very respected organization in the United States has to say concerning the tourist potential of the Pacific northwest, and particularly the Yukon. I speak of the international rail and highway commission and the Battelle report, which has this to say:

> The growing importance of visitors from outside the area, both now and in the future, cannot be overemphasized for a number of reasons: northwest America is the last remaining frontier on the North American continent; its scenery is magnificent, its wildlife is a sportsman's dream; money spent by tourists is at the retail level, whether for goods or services and filters down through the entire economy.
>
> —Tourism is a big business in many parts of the world, and it could become big in northwest America.
>
> The commission believes that tourism can be greatly expanded ... Battelle forecasts almost a fivefold increase in expenditures by travellers of $380 million annually by 1980, which would support an additional 20,000 workers—

For the benefit of the hon. member for Bonavista-Twillingate and his remarks about unemployment.

> —and result in an increase in population of about 125,000.

Tourism is big business, and this investment that our minister of northern affairs has supported in connection with the restoration of the Grand Palace theatre is a good investment. It is one that will encourage tourism in the north. As I say, it is only a small part of the effort which is going into the creation of a successful festival in the Yukon territory which no doubt will attract hundreds of thousands of tourists to that area.

The hon. member should remember that the Alaska highway runs through the Yukon territory, and there is a ferry system being inaugurated along the Panhandle. There a great new system of communications thrusting through the Yukon, so apart from the obligation which I feel the nation has in remembering the historic part which the Yukon territory has played and is continuing to play in the nation's development, I believe that the hon. member's remarks in belittling this project are entirely out of place.

Mr. Herridge: Last evening I happened to mention that I intended to make a full scale attack on the administration of the superintendent of Revelstoke park, and I am just going to make a few comments now as I have to go and broadcast my words of wisdom to the people of southeast British Columbia. Since I spoke last night I have received further information and have spent a period of meditation, with the result that I decided to change my tactics from that of full scale attack to one of encirclement by placing questions on the order paper, by eliciting information from departmental officials and by consulting with local people who are interested.

However, before taking any set course I want to ask the minister one question. I have been reliably informed by local residents that it is the practice of the local superintendent and senior officials to have the park employees cut their wood for their winter use. One man came to me and said they filled the superintendent's woodshed with fir to feed his open fireplace, but Mrs. Superintendent did not like it so the boys had to take it out again, go back in the woods and fill the woodshed with birch. I want to ask, does this come within departmental regulations?

Mr. Dinsdale: I am sure the hon. member wishes to be entirely fair on this matter—

Mr. Herridge: I do.

Mr. Dinsdale: And I think the question arises possibly as the result of misunderstanding, because it is the practice of the department as is the case with other departments, for instance with respect to military personnel, to supply fuel and heat to departmentally operated homes. The wood in question was salvaged from the slash on mount Revelstoke.

Mr. Herridge: That is correct.

Mr. Dinsdale: And is being used for staff house requirements, as well as public camp grounds, picnic areas and so forth. It was not wood specifically for the superintendent's residence. A load was delivered to the house, but because it had been prepared primarily for use in kitchen shelters it was cut too small for use in the fireplace. This wood was therefore taken to the stockpile; the next load brought down was a longer length, suitable for use in the superintendent's fireplace, and everybody was happy.

Mr. Pickersgill: I trust, Mr. Chairman, that I will be allowed very briefly the same latitude that was allowed to the hon. member for Yukon. I have nothing further to say at the present time about the "palais de danse", nor have I anything to withdraw.

Mr. Dinsdale: Are you going to the festival?

Mr. Pickersgill: The hon. member made some observations on what I said about the festival, but at no stage in my remarks did I mention the festival at all. I sincerely hope it is a success, all the more so as we have a very large stake of the taxpayers' money to recover. But what I am going to do is take issue, in the interests of history and truth, with what the hon. gentleman said about the northern vision. The hon. gentleman talks as though the north had been discovered in 1958 by the present Prime Minister of Canada.

An hon. Member: It was.

Mr. Pickersgill: That, of course, simply shows that hon. gentlemen were paying no attention whatever to public affairs before that time; because everybody who does know anything about public affairs knows exactly from where the present Minister of Agriculture produced the northern vision. For the benefit of some of the more ignorant members of the committee who do not know, I am going to tell them where it came from. When the old department of mines and resources was divided into three departments, Mr. Winters became the minister of resources and development and laid the foundations for the modern development of the north—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —and when he was succeeded by Mr. Lesage, who is now the premier of Quebec, the government changed the name of that department to the department of northern affairs, increased the budget enormously and laid down the blueprint for everything that has been done since by hon. gentlemen opposite.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Those are the facts, and—

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

Mr. Pickersgill: When I have concluded.

Mr. Martin (Essex East): After five o'clock.

Mr. Pickersgill: I simply want to get these facts consecutively on the record. The northern vision which was produced by the Prime Minister was extracted from the files of the department of northern affairs by the present Minister of Agriculture. I give that great publicist every credit for it; it was a terrific job of publicity. In fact he should not be called the Minister of Agriculture at all; he should be called the minister of publicity, because there is no more clever propagandist anywhere than the Minister of Agriculture. There are many people who can make bricks without straw—

Mr. Denis: Especially the Postmaster General.

Mr. Pickersgill: —but the minister can create castles with words. The unfortunate part of it is that when the words collapse the castles are no longer there, in many cases. The plain fact is that there has been progress in the north in the last five years. Why? Because the plans were there, and they were partly executed. That is why there has been progress in the north, and it is just about time that these inflators of words, these hon. gentlemen who substitute words for deeds—

Mr. O'Hurley: It is time you sat down.

Mr. Pickersgill: —in every aspect of government, had the record set straight for them.

Mr. McGee: Mr. Chairman, the hon. member said he would answer a question at the conclusion of his remarks. Will he accept the question now?

Mr. Pickersgill: Certainly.

Mr. McGee: The hon. gentleman has just been describing a situation in which he said

the planning shelves of the previous administration were fairly bursting with activities just ready to be undertaken. I am wondering if those shelves were as empty as the shelf upon which the great plans for public works were supposed to be kept.

Mr. Pickersgill: I do not know what that silly question means, but I do know that in 1956 a filibuster was carried on in this house to prevent one of the greatest works that was ever undertaken in this country. Fortunately that filibuster failed and that pipe line was built, otherwise we would have had a much worse recession in 1958 than we had.

Mr. McGee: I will tell the hon. member precisely what that question is all about, because he and his colleagues stumped this country in the latter part of the 1950's telling the people that there was a shelf of public works and activities ready to be undertaken in case of a recession, and in 1957 there was nothing on that shelf, as the hon. member knows.

Mr. Pickersgill: Nothing but 12 years of full employment.

Mr. Henderson: Mr. Chairman, there is a road called the Alaska highway that runs 1,000 miles or more through the territory I come from. It leads to Dawson, where this wonderful festival is going to be held that will mean millions and millions of dollars being spent in that part of the country. My people would think I was dead if I did not say something about that. I am going there this summer.

Mr. Martin (Essex East): We are all going.

Mr. Henderson: I am pleased to hear you are going to be there too.

Mr. Martin (Essex East): We are all going, particularly we who have done so much to promote this.

Mr. Henderson: Hon. gentlemen talk about spending money. Think of the millions of dollars that were taken out of that country. I love to recite, even to myself, about Dan McGrew, pitched on his head and pumped full of lead. That is a real country; real people live there. I had better not say too much about that.

When you come up, come through my territory. It is 1,000 miles or more of the most wonderful country you ever saw, the Cariboo. The old boats are lying there; they are being fixed up and waiting. You will have a wonderful time, and while the lady known as Lou may not be there—

An hon. Member: Don't go too far.

Mr. Henderson: No, I will not do that.

[Mr. McGee.]

Mr. Martin (Essex East): We want to make sure that the man called Gus is there.

Mr. Henderson: He will be there. I have been 50 years in that north country. I am proud of it and I love the north.

Some hon. Members: Hear, hear.

Mr. Nielsen: Mr. Chairman, I hope you will allow me the same latitude that you allowed the hon. member for Bonavista-Twillingate in the remarks he imposed on this committee. Before the hon. member spoke I simply dealt with a very backhanded slap that he took at the policies of this government in developing the north. I say to you, sir, and to all hon. members of this committee that what the hon. member for Bonavista-Twillingate has said about increasing the budget of the department of northern affairs, about the activities of the Liberal administration when they had control of the department, about this so-called huge backlog of plans that they had, about the present Minister of Agriculture swiping those plans, making publicity and political capital out of them, all those statements are a blatant misrepresentation of the facts.

Mr. Pickersgill: Sir, on a question of privilege, I made a statement on my responsibility as a member of this house, but not just as a member of this house. I was a privy councillor, I was a member of the government, I was a member of treasury board. Anybody who cares to examine the public accounts or the estimates for those years will find that what I said about the increase in expenditure is absolutely accurate, notwithstanding the characteristic remark of the hon. member for Yukon.

Mr. Nielsen: I suppose that is why the three bridges across the three main rivers of the Yukon were turned down three times by the privy council of which the hon. member was a member.

Mr. Bell (Carleton): Is that what the hon. member for Bonavista-Twillingate would call from igloo to igloo?

Mr. Baldwin: Mr. Chairman, I have been very interested in this debate. I had a particular interest in what was said by the hon. member for Cariboo. He said he would be there next summer when this festival is held. May I add, because of some of the comments which have been made by members of the opposition, that after the next election he will also be here. There has also been some comment on the question of northern development. Because of the extent of the attacks by members of the opposition in this regard I wish to point out that actions speak louder than deeds—

Mr. Bell (Carleton): "Words".

Mr. Baldwin: Actions speak louder than words. When the bill preceding the legislation in respect of one of the foundation plans for northern development, the Pine Point railroad, was before this house last session, hon. members of the opposition voted against it on two occasions. On one occasion they voted for a six months' hoist.

The Deputy Chairman: Order. I am sorry to interrupt the hon. gentleman. Hon. members realize that I have allowed a fair amount of latitude in this debate, and I hope I have not asked for difficulties in so doing. The reference by the hon. member for Peace River to the Pine Point railway is, I think, all together out of order when you consider the item which is before the committee.

Mr. Baldwin: I accept your ruling. I felt I had to make some observation, however, in view of what has been said.

This item covers some aspects of provision for national parks, historic sites and monuments and I would make this suggestion to the minister—that having in mind the opposition which has been put forward by both the official opposition and by the C.C.F.-N.D.P. to this appropriation and other matters of northern development it might be well for him in the course of his duties to set apart certain historic monuments upon which at a later date he might hope to place some of the few remaining members of the opposition parties who will be around after the next election as a result of the opposition which they have put forward.

I wish to endorse what has been said by the minister and by the hon. member for the Yukon in connection with this project in Dawson city. The road into this area goes through the Peace River area for a distance of several hundreds of miles. One day last summer, driving from Edmonton toward Grande Prairie I saw a large number of cars with United States licences. Indeed, I estimated that two thirds of the cars on that highway were cars from the United States on their way to Alaska. As the hon. member for the Yukon has said, when the Alaska highway becomes of particular interest to the government of the United States and ultimately is paved—it is not a question of "if" but a question of "when"—the amount of traffic going into that area will be fantastic. I commend the minister and those in his department who have taken an interest in this matter for setting up programs which will attract these tourists off the highway into Dawson city and other parts of the Yukon. I think the time will come when we shall appreciate what the minister and his department have done, and what other people who are interested have done in connection with projects of this nature.

I also want to say to the minister that I have watched with sympathy and understanding his efforts to dedicate and set aside areas in this country for recreational purposes. I think it is essential at this time in the development of our country when we still have these large areas available, many miles remote from settlements, that we should take the opportunity to preserve them before it is too late. We should take this opportunity while it is available at a relatively low cost and avoid the difficulties which have arisen with the United States where it has become increasingly hard to find space for recreational purposes for the rapidly increasing population.

I commend the minister for visiting the district which I represent and flying into an area which has been proposed as a national park site—the so-called Moncton pass district. I realize it lies completely outside the minister's authority to do anything about this until the government of British Columbia has dedicated this area for use by the national government as a park, but I think his interest is most worth while and I hope he keeps up his good work in that regard.

Included among the parks under the jurisdiction of the minister is the Wood Buffalo park, one of the largest in this country; in fact I believe it is the largest on this continent. Some 15,000 square miles of this park lie within the geographical borders of the province of Alberta. I know that a motion recently made in the legislative assembly in Alberta calls for that part of the park which lies within the province of Alberta to be turned over by the federal government to the province of Alberta. Part of this park lies within my own constituency. A large part lies within the constituency of the hon. member for Athabasca with whom I have discussed this matter from time to time. This park is the summer home of the almost extinct whooping crane. In this park are some 16,000 wood buffalo, probably the largest herd of these animals still in existence. I would be most reluctant to see this government take any hasty action, should this particular notice of motion in the Alberta legislature be accepted and should it become a matter of government policy in that province to urge this particular course. It may well be that the park is so large and of such a nature that certain areas might be carved out and made available for industrial development, though I must say I would view this with some misgivings. Such proposals would require examination and assessment by those who are better qualified to reach an opinion with regard to them than I am. I bring this

to the attention of the minister and his officials because it appears as though this action in the province of Alberta may be of some significance. While I do not oppose this suggestion I urge that a most careful and detailed examination should be made by this government before its adoption is considered. We can ill afford to be deprived of these areas to which our people must resort for recreational purposes.

Mr. Denis: I should like to say just a word in disagreement with my hon. friend from Bonavista-Twillingate who said that the minister of northern affairs should be called the minister of publicity.

Mr. Pickersgill: The former minister.

Mr. Denis: I wish to defend the minister, and I do so on the grounds that this title belongs to the Postmaster General and has done so for a long time.

Mr. Pickersgill: I apologize to my hon. friend. He is quite right.

Mr. Martin (Essex East): I do not rise to prolong this discusion. I wish to raise another matter. I would simply like to say that when we talk about our interest in the northern regions of Canada it will be difficult to contest the statement of record as given my hon. friend from Bonavista-Twillingate.

There is no doubt that it was under the administration of Mr. St. Laurent that a separate department of northern affairs was established under the responsibility of the present premier of Quebec. It is also well known that the former prime minister indicated his own very deep interest in northern development by observations made in this house on a number of occasions while he was prime minister. Those of us who served with him in government know that he, perhaps more than any other living Canadian, deserves to be regarded as the statesman who gave emphasis to the importance of the development of the northern regions of our country. It will be difficult to contest that both Mr. St. Laurent as prime minister and Mr. Lesage as the first minister in charge of the department took a deep interest in the development of this part of the country.

As minister of national health and welfare I knew a good deal about the initiative which was taken by Mr. Lesage. As my hon. friend knows, much of the development had to do with some very important decisions which were taken at that time with regard to northern health services as administered by the Department of National Health and Welfare. When we are talking about those to whom credit should be given it would be difficult to deny the contributions made by Dr. Percy Moore. That was all under a regime other than the present one.

Mr. Grafftey: Would the hon. member permit a question? I ask this question in all sincerity. Would the hon. member who has just mentioned Mr. Lesage reconcile Mr. Lesage's present position in relation to the power grid program in the meeting of provincial premiers with the position he took when he occupied the portfolio of northern affairs?

Mr. Martin (Essex East): If I were to answer that question I would, of course, be out of order just as my hon. friend was in putting the question.

Mr. Pigeon: The hon. member has unanimous consent to answer.

Mr. Martin (Essex East): The fact is that I think it is generally recognized that Mr. Lesage did play an important part as minister of northern affairs in pursuing policies of the administration of which he was a member, and *Hansard* of that period will attest to what I have said. I can say as one of his colleagues there is no one—

Mr. Nielsen: Mr. Chairman, may I ask the hon. member a question?

Mr. Martin (Essex East): —in my judgment since who has shown such a responsible understanding—I do not say a propaganda understanding and I am not referring to the present minister—in administering northern affairs. I am sure there was no one who had as vigorous, and intelligent an interest in the problems of that department as did the present premier of Quebec. That is a matter of record.

Mr. Nielsen: May I ask the hon. member a question on that point?

Mr. Martin (Essex East): Yes.

Mr. Nielsen: If what the hon. member is saying is an accurate reflection of the attitude of the head of the department at that time perhaps the hon. member could inform the committee why Mr. Lesage and his colleagues in the cabinet at that time consistently turned down proposals for bridges and roads in the north? There is an obvious discrepancy which I who lived there am conscious of because I witnessed this complete lack of development.

Mr. Martin (Essex East): Usually my hon. friend asks very intelligent questions but I am sure he will agree this is hardly one.

Mr. Nielsen: But I should like an answer.

Mr. Martin (Essex East): Let me say that the government of which I was a modest and

humble member—and so there will be no question about my modesty I suppose I should add a relatively ineffectual member—built roads and bridges under the department established by Mr. Lesage to a degree that would warrant the view that not much more should be done.

Mr. Nielsen: Where were the roads?

Mr. Martin (Essex East): My hon. friend knows perfectly well. In addition to those I have mentioned—

Mr. Dinsdale: They were from igloo to igloo.

Mr. Martin (Essex East): The minister, who is a very fair-minded man, will not contest what I have said. It was under Mr. St. Laurent and Mr. Lesage that this northern vision really developed.

Mr. Henderson: If you ask the man in the north, what would he tell you? He certainly would tell you that nothing was done under the previous government.

Mr. Pickersgill: They did not say that when they elected a Liberal member for Mackenzie River in 1958.

Mr. Martin (Essex East): I am going to deal with my amiable friend from Cariboo in just a moment but he must wait until I reach him.

Mr. Henderson: The hon. member for Bonavista-Twillingate said I was not here in 1958.

Mr. Pickersgill: I did not say that.

Mr. Henderson: I am sorry if I got you wrong. Let me tell you that I was in the west and in the north.

Mr. Pickersgill: Perhaps I could explain—

Mr. Martin (Essex East): Perhaps the hon. member for Bonavista-Twillingate would permit me to conclude before answering the hon. member for Cariboo.

I am saying to the minister I am sure that he as a responsible minister and as an honourable man will not contest my statement that it was under Mr. St. Laurent and Mr. Lesage that the real beginnings of the concept of the northern vision were developed.

Mr. Dinsdale: Mr. Chairman—

Mr. Martin (Essex East): Perhaps the minister would permit me to continue.

Mr. Dinsdale: I thought the hon. member was asking me a question.

Mr. Martin (Essex East): I am attempting to complete my remarks before five o'clock. I am hoping to complete my little speech by that time. As hon. members know I do not often have an opportunity to speak in this chamber.

Mr. Dinsdale: I am sorry, but I thought the hon. member was asking me a question.

Mr. Martin (Essex East): This is all by way of parenthesis and has nothing to do with what I really wish to say. Having listened to what the hon. member for Bonavista-Twillingate said and as the only other member of the former government in the committee I thought it only appropriate that I should support the hon. gentleman in what he said in his very accurate historical review of the work of the department. In that connection I am sure we all recognize—

Mr. Nielsen: I don't.

Mr. Martin (Essex East): I am sure we all recognize that the late hon. member for Mackenzie River, Mr. Mervyn Hardie was one whose name will ever be associated with northern development. He was one of the supporters of this party. Day in and day out, as the minister knows, he gave evidence of his deep interest in the development of this important section of our country.

I rose to make this suggestion to the minister. He will recall that on February 6 I made representations to him and wrote to him about that time in connection with Banwell house near Windsor in Essex county. My hon. friend is, of course, aware of the Hiram Walker historical museum which serves a useful purpose in Windsor in Essex county. He is also aware of the museum in Amherstburg in the constituency represented by the hon. member for Essex South. These are all important attestations of the historic character of the county from which I come and in which is located the riding I have the honour to represent in this house.

The presentations I made to the minister arose from those made to me by Mr. George Marshall, Mr. Alan Douglas and Mr. Gordon F. Mann of the Essex county historical association. They had reference to Banwell house, which is one of the relics of French Canada in this historic part of our country.

Banwell house was discovered recently and in the field of architectural history it is a finding of importance to the history of the Windsor region and of Canada in general. The discovery means we have had survive a building erected in the French Canadian technique at a time when all such examples were thought to have disappeared from the Ontario scene. I am told that Banwell house and others like it that have so far come to light in Essex county differ substantially from their counterparts in the remainder of French Canada, and therefore to the best

of present knowledge are believed to be unique in all of North American log construction. This example of this form of construction displays a high degree of craftsmanship.

Banwell house stands on the east side of Banwell road, north of No. 2 highway and has been identified as the Henry Banwell house.

The minister has promised to look into the representations made to have this set aside as a historic monument. I would add to my written and oral representations the following additional argument. Essex county is one of the most historic counties in the province of Ontario. It has a French Canadian population that goes back several centuries. The house in question is closely allied to the culture of Canadians of French descent in that section of the country and is of interest, as well, to others of various national origins. The house would be a valuable site in itself, but its preservation would also be a connecting link with a phase of the development of the culture of one of the two predominant ethnic groups in Canada. I believe the Banwell house is one that deserves to be preserved. It is part of the pattern that has been built up in our county of developing an appreciation of historical events through historical monuments. I should like to think that the minister would find a way to support this proposal. I believe that, as a result of representations which I was able to make, the minister has made some arrangement for officials of his to contact members of the Essex county historical society. I would be grateful to know what progress has been made since these representations were first put forward, as I am sure would the people in Essex county.

Mr. Dinsdale: I can assure the hon. member that particular proposal will be presented to the historic sites and monuments board when that board meets in May. I am sure that body of distinguished historians will give to the national historic aspects of this particular house the same careful consideration it gave to the Grand Palace theatre in Dawson city. While I am on my feet—

Mr. Martin (Essex East): May I ask the minister if it is a fact that someone from his department has already been in contact with the Essex county historical society?

Mr. Dinsdale: Yes, we have been in touch with the local historical society.

Yesterday, the hon. member for Brantford made some worthwhile recommendations. Perhaps I could now reply to the points he raised, of which I think there were three. The Bell home has long been recognized as a significant historic place. I can assure him that the historic sites branch have taken an active interest in the preservation of this home. They have been in touch, for example, with the local historical society and also with the Bell Telephone Company which naturally would have an interest in the preservation of this home. I am happy to assure the hon. member that the township in which the home is located has been assured of substantial support for the removal project when this becomes necessary. This support will be forthcoming from the Charles Fleetford Sise chapter, telephone pioneers of America. It is one of the functions of the historic sites branch to encourage local participation in the preservation of our historic sites. Not every historic site is of national significance. We feel that it is our responsibility to have local groups active in historic preservation, and to get the provinces active in this important function. In this particular instance there has been a good response from the local people.

The chapel of the Mohawk has also been very carefully looked into by the branch and the policy laid down reference to the preservation of all religious historic sites would apply in this case. We encourage the denominational bodies concerned to be active in the preservation of these old churches. In this case we are hoping for an encouraging response from the denomination under whose auspices the old Mohawk church has functioned.

Chiefswood, the birthplace of the Pauline Johnson, the daughter of the Mohawk chief, also has been under consideration by the historic sites branch. As a matter of fact, this matter has been looked at by the historic sites and monuments board and in 1961 it was decided that this was not one of those historic sites that come under the description of a national historic site. Again, there are other ways of attacking this problem, such as the creation of local interest and support. I am sure that the hon. member will be glad to know that there has been some commemoration of Pauline Johnson. A plaque has been established by the provincial historic sites people and also a stamp was issued by the Post Office Department in order to commemorate Pauline Johnson.

The Deputy Chairman: Shall vote 648 carry?

Mr. Carter: I wish to ask just one question and it will take not more than a minute. I wish to ask the minister whether any consideration has been given to making Sentinel hill in Newfoundland an historic site. Sentinel hill overlooks the town of Placentia which at one time was the capital of Newfoundland at a time when our province was under the control of the French. On Sentinel hill was the fortification which protected the

town. It is wrapped or steeped in history going back hundreds of years. Many of our people feel that its claim as an historic site is equal to that of other places which have been included in the historic sites program. I would ask the minister whether any consideration is being given to it.

Mr. Dinsdale: The department has been concentrating on Signal hill outside the city of St. John's in Newfoundland as the historic site in Newfoundland which should receive emphasis as a national historic site. So far as Sentinel hill is concerned, this matter has never come before the historic sites and monuments board so far as I know. I would rather imagine that this is the sort of historic commemoration that would come under the purview of the provincial authorities rather than the national authorities. In each province we try to have a major national historic site which would be genuinely regarded as being of national significance.

Item agreed to.

The Deputy Chairman: It being five o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business, pursuant to section 3 of standing order 15.

Progress reported.

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills, notices of motions—papers—and public bills. There being no private bills on the order paper, the house will first consider notices of motions, papers.

MOTIONS FOR PAPERS

ECONOMIC FORECAST FOR CURRENT YEAR

Hon. J. W. Pickersgill (Bonavista-Twillingate) moved:

That an order of the house do issue for a copy of the latest economic forecast prepared in the Department of Trade and Commerce in the series substituted for the Canadian Economic Outlook as described in *Hansard* for August 10, 1960 at page 7878.

He said: Mr. Speaker, I will not trouble to reread the motion which Your Honour has already read. For the benefit of those hon. members who were only elected in 1958, I think perhaps I should tell them what the Canadian Economic Outlook was.

Mr. Churchill: No, Mr. Speaker, that is not part of the motion.

Mr. Pickersgill: Perhaps I can be allowed to proceed, Mr. Speaker, without the assistance of the house leader.

Mr. Churchill: I rise on a point of order. We are not in need of any explanation. Everybody can read. All the hon. member is asking for here is for an order of the house with regard to certain documents. We do not need a long explanation in this house with regard to what the documents are.

Mr. Crestohl: What are you afraid of?

Mr. Pickersgill: It is more closure.

Mr. Speaker: I think the hon. member has not got far enough as yet to determine whether or not he is transgressing.

Mr. Pickersgill: Thank you, Mr. Speaker. I will not waste time on the observations of the government leader. The Canadian Economic Outlook was a document which was published by the Prime Minister on January 20, 1958, as can be found by reference to *Hansard*. It had never been published before. It was a document prepared in secret—

Mr. Churchill: I rise on my point of order, Mr. Speaker. This is precisely the matter to which I was drawing Your Honour's attention. Then hon. member now is going into the so-called history of some document or other. He was trying to explain what it was. Everybody knows or can find out from public records what the Canadian Economic Outlook is. He is continuing to bring in irrelevant material concerning the Prime Minister, and so on. This is my point of order, sir.

Mr. Pickersgill: I should like to say a word on the point of order before Your Honour rules, if I may be permitted to do so. When the change in the rules was made provisionally for this session to transfer these notices of motion from undebatable notices to debatable notices, it was presumably intended there should be a debate about something. It is obvious that no one can explain why a document ought to be produced without first explaining what the document is and why that document, under certain circumstances, is one which should be made public and not one which should be kept secret. This is exactly what I am endeavouring to do. I cannot give my arguments for the production of the document to which I am referring without identifying that document, and I cannot identify it, because it cannot be thoroughly identified, without reference to its predecessor.

Mr. Crestohl: That is elementary.

Mr. Speaker: The point of order would have to be decided on the basis of the issue before the house. As I understand it, this motion calls for the house to order the production of a document described here, the production of which the government resists. The debate

is on the issue of whether or not the government is correct in resisting the production of the document. Now, anything that is relevant to that issue would, in my opinion, be relevant to the debate. At this moment, I do not believe we have gone beyond the scope of the debate.

Mr. Pickersgill: Thank you, sir. This document which was published on January 20, 1958, was an economic forecast for the year 1957. It was a confidential document prepared by civil servants for the use of ministers and never intended to be published. It was prepared for the previous government. The Prime Minister saw fit, after he became the leader of the house, to make that document public.

Now, the government was greatly embarrassed by the fact the opposition—

Mr. Pallett: I rise on a point of order, Mr. Speaker.

Mr. Speaker: Order; the parliamentary secretary on a point of order.

Mr. Pallett: I should like, Mr. Speaker, to refer to your own words uttered during this session and recorded at page 682 of *Hansard* during the debate on the first motion for the production of documents under the new rule. At that time Your Honour said, and I quote:

> Before the hon. member proceeds further with that line of argument I think I should say to him that my view of the scope of the motion is that it is limited to the desirability of the production of the documents. The motion is one calling on the government to produce the documents referred to in the motion. The question in issue is whether or not they should be produced. Production of them has been objected to.

Mr. Robichaud: Is this a new type of closure?

Mr. Martin (Essex East): That does not help very much.

Mr. Pallett: The hon. member for Gloucester seems to feel that the interpretation of the rules should be for one side of the house only. I assume that is what he thinks, from his interjection; but I am one of those who believe the rules should apply to all members of the house and that the orderly conduct of business requires the observance of them by every member of the house. I am raising this point of order in the proper way in which it should be raised, and if the hon. member wishes to argue the point he will have that opportunity.

Mr. Speaker: May I ask the hon. member for his assistance in respect of his point of order? If the issue is, as indicated, whether or not it is desirable that this document be produced, whether it is confidential or in the public interest or any other proper ground upon which objection is taken, would it not be relevant to the debate to indicate what use had been made of this document or similar documents in the past or what disposition had been made by this government and former governments of the document in the past? Would this not be relevant to the issue of what should be done at this time? That is the difficulty. As I say, the argument of the hon. member for Bonavista-Twillingate is directed towards showing that this document now called for is the same as an earlier document under another name, and to show that certain use was made of that document, that certain publication of that document was made by the government, and that therefore the objection that it is in the public interest to withhold the document now falls to the ground on the basis of that precedent. If the hon. member for Peel feels that is out of order, I would be glad to consider the point.

Mr. Pallett: In so far as the matter of relevancy is concerned, the document that was referred to as the Canadian Economic Outlook has always been produced the year after it was prepared. There was never any objection to that being produced.

Mr. Martin (Essex East): Never.

Mr. Pallett: The hon. member for Essex East says "never".

Mr. Martin (Essex East): That is right.

Mr. Pallett: He is like that never, never bird.

Mr. Pickersgill: I rise on a question of privilege, Mr. Speaker. My question of privilege is that the hon. gentleman, under the guise of a point of order, is seeking to debate the very question I was seeking to debate when he interrupted me. If he wishes to debate it, he should take his turn.

Mr. Speaker: Well, I think I cannot give effect to the objection. It seems to me the debate had better proceed along the lines on which it started.

Mr. Pickersgill: Thank you, sir. As I say, this document was published by the Prime Minister on January 29, 1958 under circumstances that were rather dramatic. A couple of years later the government saw fit, and I can only assume it was because of their embarrassment in the matter, to discontinue this forecast. I will not go into that because I think it would be irrelevant. They introduced a new series of documents which were described at some length by the distinguished Minister of Trade and Commerce in *Hansard* at the page to which I referred. I put that reference in so that the document would be identified. It is quite clear that although the

document referred to by the Minister of Trade and Commerce is not precisely the same as the document that was formerly produced, because it has another name, it obviously was, according to the description, for the same purpose.

I will not attempt to summarize the arguments advanced by the Prime Minister on publication of that document on January 20, 1958. I intend to produce them in his own words from *Hansard* because the Prime Minister's words in *Hansard* are my argument for the production of this document at this time. The situation is completely analogous. That document was prepared in March, 1957, on the eve of an election. This document I am asking for has been prepared—at least so most people seem to think—on the eve of another election. Therefore every argument which the Prime Minister used in connection with the one applies equally to the other.

I would draw Your Honour's attention to *Hansard* of January 20, which Your Honour will not have forgotten, January 20, 1958, at page 3526, where the Prime Minister said:

—I put it to the hon. members opposite—every one of them in the official opposition—

That is, the members of my party.

—that they hid the facts; they concealed the record; they did not let the Canadian people know what was taking place.

Later on the same page he said:

You secured the advice of the economists in your own departments and were advised as to what the situation was in March 1957. This record was given to each and every one of you—

At which point the hon. Leader of the Opposition interjected and asked the hon. gentleman what he was reading from.

Mr. Diefenbaker: I thought the hon. gentleman knew of it before, but I am reading from the report "Canadian Economic Outlook" prepared by the economic branch of the Department of Trade and Commerce delivered in March 1957 at a time when my hon. friends opposite were telling the Canadian people how well things were going and were refusing to act.

How similar the situation is now to what the Prime Minister said it was then. Then, on page 3530 there is this sentence from the Prime Minister:

You concealed the facts. That is what you did.

Later on in the same column he said:

What did they do? They concealed the facts. They told the Canadian people that all was well; Utopia is here; there will be no more unemployment.

Mr. Churchill: It is quite irrelevant to the argument you are making.

Mr. Pickersgill: It is the Prime Minister's argument. It may be irrelevant but it is not irrelevant to what I am talking about.

Mr. Jones: We did give the people the facts.

Mr. Pickersgill: Later on, at the same page, Mr. Knowles said:

The Prime Minister did not hear my question. Has this document which the Liberals concealed been tabled? If not, will the Prime Minister table it so we can all see it?

Mr. Diefenbaker: I do not know that it has been. I would take it that it has, surely.

In other words, the Prime Minister felt it ought to have been tabled.

I would take it that it has, surely. If it has not been tabled my hon. friend has added one more example to the record of concealment by my hon. friends opposite.

Those were the arguments put forward by the present Prime Minister of the country as to why a document analogous to the document I am asking for, should have been made public by the government of that day at that time, and he accused us of concealing it, of hiding it. He took this thing onto the hustings and made a big issue of it. The Canadian people decided in his favour and presumably therefore gave their stamp of approval to what the Prime Minister did on that occasion.

I personally, if that precedent were not there, would never have made this motion. I made it only because the Prime Minister, who is supposed to be the supreme custodian of the rules and procedures of this house, said it was the right thing to do. If it was the right thing in his mind for the Prime Minister's predecessor to do, then surely the Prime Minister does not suggest that this government is governed by different principles and different rules of procedure? Surely if the Prime Minister's predecessor should have tabled this document and not hidden and concealed the facts, as he said he did, surely it is up to him to do it now under the same circumstances and on the eve of an election?

There is another argument and very good reason why this should be done. Hon. gentlemen opposite are going about the country talking about the great up surge in our economy. They are trying to give a certain impression about what this is. I am not saying that impression is right or wrong but they are doing that, and that is exactly what they said my friends and I did when we were in office in 1957. They are doing it now and they are refusing to let us have this document which would give us whatever evidence their experts might have in this regard.

If hon. members look at today's *Gazette* they will see this is very relevant. They will see that everyone in the country—I am not talking about politicians—does not agree with hon. gentlemen opposite.

Mr. Speaker: I think—

Mr. Hees: On a point of order—

Mr. Speaker: I think the hon. member is going beyond the scope, but I shall hear the hon. minister.

Mr. Hees: If I may express my point of order, the hon. gentleman is asking for the production of a document which does not exist, and has not been produced during the last year and a half since I have taken over as Minister of Trade and Commerce. There is no report produced today. The economists of my department report to me periodically, verbally and otherwise, when I wish to know specific information about economic affairs in the country, so therefore—

Mr. Pickersgill: This isn't a point of order.

Mr. Hees: —there is no document to produce such as the hon. member is asking for.

Mr. Speaker: The minister will have an opportunity to indicate that as a matter of debate. It is not a point of order.

Mr. Hees: It just isn't there.

Mr. Speaker: The hon. member is proceeding on the basis that there is such a document.

Mr. Pickersgill: The minister of course, as we know in this house, suffers more from lapses of memory than most hon. members, and when my hon. friend from Essex East produces the record from *Hansard* that I mentioned in my motion, but which I did not produce because I did not want to take up the time of the house, the minister will find there is such a document and his face will be very red, as it has been very many times before.

The reason the document asked for should be produced is first because the Prime Minister said this is the right procedure for the government to take. Surely if it would have been the right thing for my right hon. friend, Mr. St. Laurent, to do five years ago it is the right thing to be done now? These were conclusive statements and hon. gentlemen opposite should be ashamed of themselves for arguing against their leader and objecting to the argument in view of the importance of what their leader spoke about so eagerly on that occasion.

In their own interest they should produce it because if they do not produce it everyone in the country will suspect it is just the kind of document which they said the other one in 1957 was, that in fact it forecasts the very things that are referred to in these two clippings from the *Gazette*, and far from supporting the minister's forecast hon. gentlemen opposite should be arguing in the opposite direction. I do not know what is in it. I do not know whether it forecasts these things or not, but I say on the premises which the Prime Minister put before us that I have now read, and on the basis of the accusation which the right hon. gentleman made on that occasion, this document should be produced.

Mr. Churchill: What document?

Mr. Grafftey: How can you produce that which does not exist?

Mr. Pickersgill: I have now, sir, the reference and I have to say that it was the minister's predecessor.

Mr. Churchill: Yes, absolutely. You are wrong all the way through.

Mr. Martin (Essex East): You are still a minister. What difference does that make?

Mr. Churchill: It makes a lot of difference. There is no document now.

Mr. Pickersgill: If the procedure established by the Minister of Veterans Affairs was so unsatisfactory that his successor changed that, again I do not know the facts but again I put the position as set out by the minister. He said this:

> —I want to make it very clear that there has been no change in the giving of information by the economics branch to me and the transmitting of that information to the government where necessary. I have asked that monthly reports be sent to me from the economics branch and that periodic forecasts be given to me indicating what, in the opinion of our economists, lies ahead in the few months, or the remaining months, of the year. This has been done.

I assume that statement meant what it said, and all I am asking for in my motion is the latest economic forecast of the periodic forecasts that the former minister of trade and commerce, as reported at page 7878 of *Hansard* for August 10, 1960, said had been made in place of the Canadian Economic Outlook.

Mr. Churchill: That would be September, 1960. Is that the one you want?

Mr. Pickersgill: I asked for the latest one. If that is the latest one why did the government not readily comply with the motion yesterday and save all this time and all this debate? Why did not the minister rise at once and say the motion was satisfactory?

Mr. Speaker: I am sorry to interrupt the hon. member but his time has expired, with some modest allowance for interruptions.

Mr. O'Hurley: He had not said anything.

Mr. Hees: Mr. Speaker, as I said a little earlier, since I took over this portfolio in October, 1960 I have had very frequent meetings with my economists; we often meet

daily. I receive reports from them verbally and in the form of working papers, outlining for me the economic situation in various parts of the country and in the country as a whole. With that information I am able to advise the government and the government is able to formulate policy.

As I said earlier, since I took over the department there has been published no such document as that for which the hon. member for Bonavista-Twillingate is asking. As I say, the information from my economists is given verbally and in the form of departmental working papers which assist me in my work as minister. So I have to say once again, Mr. Speaker, that there is no such paper; there has been no formal paper such as that for which the hon. member for Bonavista-Twillingate has asked. I must simply say that there is no such paper produced, and of course it therefore cannot be produced for the hon. member.

Hon. Paul Martin (Essex East): Mr. Speaker, I would like to say a few words on this matter. I had not intended to do so, but the reply just given by the Minister of Trade and Commerce is such an unusual one that it cannot be allowed to go without comment. I am sure that when the Minister of Trade and Commerce reads what he has just said he will agree that he indeed made a most amazing statement. It must not be forgotten that when this resolution was before the house yesterday it was resisted by the minister—

Mr. Hees: No, it was not resisted; I just said "Stand".

Mr. Martin (Essex East): The minister says he did not resist it. The record will show that he did.

An hon. Member: He did not resist it.

Mr. Martin (Essex East): He resisted it not only yesterday, but on an earlier occasion, clearly indicating that the government did not intend to be called upon to do what the Prime Minister himself had done in January, 1958.

Mr. Hees: Mr. Speaker, on a question of privilege, I have been accused of doing something which I did not do. As far as I am aware, yesterday was the first time this motion has come up this year. At that time I simply said "Stand". That is not resisting the motion—

Mr. Pickersgill: Of course it is resisting it.

Mr. Hees: —and a year ago when this motion came up I gave the same explanation as I gave today. I advised the house that there was no such document—

Mr. Martin (Essex East): That is not a question of privilege.

Mr. Hees: —and that therefore it could not be produced.

Mr. Martin (Essex East): Mr. Speaker, I have a limited time. If my hon. friend raises a proper question of privilege, that is all right. When a minister says "Stand", that certainly indicates that he has some reservation about the motion. The minister could have risen and said, "There is no such document", and that would have ended it.

Mr. Pallett: He has said it now; does it end it?

Mr. Martin (Essex East): He has said it now, but what I am now doing is examining the validity of that statement in the light of what was said by the minister of trade and commerce who preceded the present minister. No explanation has been given. The minister could have said, "I note what the minister of trade and commerce who was in office in 1960 said with regard to the character of annual reports, but I have not decided to carry on the same practice". That is not what the minister said. He used significant words in his statement; he said, "I see my economists regularly. We have working papers. There is no formal document". However, the words of the minister were such as to leave open the interpretation that the practice laid down by his predecessor is still being followed.

The Minister of Trade and Commerce could have repudiated this; or with regard to the practice as outlined by the former minister on August 10, 1960 and quoted by the hon. member for Bonavista-Twillingate, he could have said that practice was no longer being observed. I cannot find, in what the minister said, any justification for this house concluding that in the Department of Trade and Commerce there is not presented to the minister in some form—formal, informal, or whatever the minister wants to call it—a report which bears the quality of the kind of report which the Prime Minister, so improperly in our judgment, revealed to this house on January 20, 1958, but having himself established that practice, now estops the minister and this government from denying this house the right of access to whatever documents are now in the possession of the Minister of Trade and Commerce.

In seeking to understand the words uttered by the minister a few moments ago I think we have a right to note what was said by the former deputy minister of trade and commerce who spoke in this city the other day—

Mr. Churchill: No, you have not.

Mr. Martin (Essex East): —who was the one who signed—

Mr. Pickersgill: Now we will have some more closure.

Mr. Martin (Essex East): —the privileged document, the secret, confidential document which the Prime Minister so brazenly displayed for the house to see and the country to note, contrary to our practice, contrary to the traditions of parliamentary practice in countries like ours.

Mr. Fulton: Does my hon. friend think it was a mistake?

Mr. Martin (Essex East): Of course it was a mistake, and my hon. friend from Bonavista-Twillingate also said it was a mistake. The contention of the hon. member for Bonavista-Twillingate is that, having established this practice, the Prime Minister owes to the house, as does his government, the right to receive a document which the Prime Minister argued on January 20, 1958 he had a right to reveal to the house.

Mr. Pickersgill: And which he said should have been revealed months before.

Mr. Martin (Essex East): And which should have been revealed without a motion of this kind being put forward. The man who signed the economic report of 1957, produced on January 20, 1958, Mr. Mitchell Sharp, said—

Mr. Churchill: Order.

Mr. Martin (Essex East): He said:

Look at what happened to the economic outlook reports—

Mr. Speaker: Order. There appears to be some question as to the relevancy of the line of argument the hon. member is following. The motion is to produce a current document. The hon. member is seeking to introduce what Mr. Mitchell Sharp said about a document in 1958.

Mr. Martin (Essex East): What I am seeking—

Mr. Speaker: I fail to see the relevance of that at this moment. Perhaps before the hon. member proceeds he could tell me what is the relevance.

Mr. Martin (Essex East): I can appreciate Your Honour's difficulty and I want to help Your Honour, because you do approach these things with an impartiality which all of us in this house greatly respect.

Mr. Smallwood: The hon. member for Hull certainly did not.

Mr. Martin (Essex East): What I am seeking to do is analyse the words of the Minister of Trade and Commerce. I am saying that, having in mind what his predecessor said, what has been the practice throughout, and in the light of the words used by the present Minister of Trade and Commerce, it cannot now be concluded that he is not in receipt of reports which in principle constitute what the Prime Minister gave to this house, improperly, on January 20, 1958.

Mr. Hees: Don't be ridiculous.

Mr. Martin (Essex East): I say to the Minister of Trade and Commerce—

Mr. Hees: And I say to you, "Stop being ridiculous; stop being pompous".

Mr. Martin (Essex East): —do not preclude us from obtaining information which you have in your possession—

Mr. Hees: I have not.

Mr. Martin (Essex East): —and which the Prime Minister said should be given to the house and it should not require a motion to obtain it. It is because I am seeking to establish that the words used by the Minister of Trade and Commerce really mean, in effect, that there are documents, that I am referring to these words of a former deputy minister of trade and commerce.

Mr. Speaker: With due respect to the hon. member's argument, I cannot see the relevance of recalling the words of a civil servant who is not now in the department and does not know what the practice is at the present time.

Mr. Hees: On a question of privilege, the hon. member has persistently said that there is a document similar to a document which I say does not exist. I have told him over and over again that I receive information almost daily from my economists, verbally and by way of working papers. There is nothing in the form of a formal report such as the hon. member is asking for. It does not exist. I receive information at various times and in various forms, but I receive nothing in the form of a document of the kind the hon. member is asking for. He says I have it. I have told him I do not have it, and he must take my word for it.

Mr. Speaker: I have been a little troubled over that aspect of the argument. It is customary in the house to accept the word—

Mr. Pickersgill: Can I say a word on the question of privilege?

Mr. Speaker: If he feels he has to, the hon. member may do so later on.

It has been the practice of most hon. members to accept the word of another member given in his place—

Mr. Martin (Essex East): I accept it readily.

Mr. Speaker: —on a matter which is peculiarly within his own knowledge. There is

disagreement—and it is an arguable point—as to what is the meaning of what the minister has said. This motion asserts that there is a document and calls for its production, so we are debating—and it is a legitimate debate—the existence of the document. It is legitimate to marshal all the evidence there may be to indicate that what the minister has said does not really deny the existence of a document, although hon. members must accept his specific words, in so far as they are specific. Thus, I cannot give effect to the objection that is taken.

Mr. Pickersgill: I wish to raise a point of order. I listened carefully to what the minister said. He said there was no formal document, and I accept his word at once. There is no formal document. But I did not refer to a formal document. I have asked for a copy of the latest economic forecast. The hon. gentleman has told us he does get economic forecasts every day, and I am asking for the latest information so that we may know what it is about.

Mr. Martin (Essex East): Since the minister has risen on a question of privilege and since Your Honour has made an observation in regard to it, may I say I readily agree that if a minister makes a particular representation it must be accepted. But I am basing my argument, first of all, on what the minister said when he first spoke this afternoon and now, more particularly, on what he has just said. In this regard I should like to read again the motion put forward by my hon. friend from Bonavista-Twillingate. It asks:

> That an order of the house do issue for a copy of the latest economic forecast—

And the minister has acknowledged he receives such forecasts.

> —prepared in the Department of Trade and Commerce in the series substituted for the Canadian Economic Outlook as described in *Hansard* for August 10, 1960 at page 7878.

The minister has not denied that he receives reports which would come within the characterisation of the words used by the hon. member for Bonavista-Twillingate in this resolution, nor has the minister said, and he was given the opportunity, that the practice followed by his predecessor, the present Minister of Veterans Affairs (Mr. Churchill) is one which he himself has changed. He has not; and we would assume that the practice of the former minister continues to be the practice of the present minister. What did the former minister have to say?

Mr. Macdonnell: Would the hon. member permit a question? I have tried to listen carefully to what the hon. member has said and to what the Minister of Trade and Commerce has said—

Mr. Martin (Essex East): Ask me the question, because I have only got a few minutes.

Mr. Macdonnell: How could the hon. member read this resolution and then go on to say that the present minister did not indicate that he was following a different plan? That seems to me to be refusing to face the words which the Minister of Trade and Commerce used.

Mr. Hees: The hon. member has stated I have not denied it—

Mr. Pickersgill: The minister has spoken already.

Mr. Hees: I follow my own system of working with my department and my economists—

Some hon. Members: Order.

Mr. Speaker: I think the hon. member who has the floor has not yielded, and he has limited time.

Mr. Martin (Essex East): Let us recall, because the Minister of Trade and Commerce did not, what his predecessor said on August 10, 1960 in the statement referred to in the notice of motion which is before us now:

> Mr. Churchill: I want to make it very clear that there has been no change in the giving of information by the economics branch to me and the transmitting of that information to the government where necessary. I have asked that monthly reports be sent to me from the economics branch and that periodic forecasts be given to me indicating what, in the opinion of our economists, lies ahead in the few months, or the remaining months, of the year. This has been done.

Is that still being done? Does the Minister of Trade and Commerce say now that that is not being done?

Then his predecessor went on to say:

> I found that the report which has evoked so much interest was being issued in March as a forecast for the balance of the year, and as the economic climate changes so rapidly it appeared to me that it would be wiser to have a series of reports—

This is what the minister said he is receiving.

> —that would keep a person up to date on economic matters.
>
> It was on the basis of one of those reports that I gave the economic outlook for the balance of 1960 when I spoke on the subject last week. Now, that is what is going on; there has been no restriction whatever in the amount of advice given by or sought from the economics branch of the department. I am convinced that the method that has now been introduced is better and keeps me better informed from month to month as to the trend of economic activity in Canada.

I cannot believe the minister would take the position that he is not following this

practice now, because to do so would be holding himself up to ridicule. The Minister of Trade and Commerce—the one who is supposed to feel the pulse of the economy of the nation—

Mr. Hees: Stop being pompous.

Mr. Martin (Essex East): The hon. gentleman ought not to be infantile in this house. He is now in a difficult position. He feels himself embarrassed at the moment—

Mr. Hees: I am not embarrassed.

Mr. Martin (Essex East): He does not want to take issue with the Prime Minister or with the former minister of trade and commerce. What we are asking is that these reports be given to this house on the basis of the precedent established by the Prime Minister. We said they should not be given, but that is not what this government says; it is not what the Prime Minister said on January 20, 1958. He said, then, in substance: I do not care how confidential this is; I do not care how privileged it is; it is information that parliament should have. That is the practice he established.

We are asking through this motion that the government should give us the same information as the Prime Minister assumed he had the right to give and in the way in which he used it in January of 1958. As my hon. friend from Bonavista-Twillingate has said, the situation today is parallel with the events which attended January 20, 1958. We are on the eve of an election. We shall be arguing in the country that unemployment under this administration has reached dangerous and alarming levels. The government will be answering that argument. The government will be trying to justify its policy. It will indicate that there is a gradual improvement in the economic state of the nation. This will be contested. Some economists are already contesting it.

An hon. Member: Are you happy?

Mr. Martin (Essex East): The hon. member asks: "Am I happy?" He knows perfectly well that that is an impulsive question from a young member of parliament. We should like to do something about it. We want first of all to know what are the facts. Let us have these forecasts which the minister receives every day, or every month. Let us have this series of reports.

Mr. Crestohl: Why do they suppress it?

Mr. Martin (Essex East): Why should hon. gentlemen find it proper to deny this information to us when the Prime Minister in this house felt that this was information that should be given to parliament? What justification can there be? Is there something in these reports that the minister is concealing that is contrary to the public assessment of the economic situation?

Mr. Pickersgill: And contrary to what the government says?

Mr. Martin (Essex East): Yes, and contrary to what the government says?

An hon. Member: No coaching.

Mr. Martin (Essex East): Is the situation going to be more serious in the months ahead?

Mr. Pallett: This is not 1956.

Mr. Pickersgill: It certainly is not; we had full employment then.

Mr. Martin (Essex East): Mr. Speaker, the very argument which the Prime Minister used on January 20, 1958 under circumstances—

An hon. Member: You will not forget that.

Mr. Martin (Essex East): No one will ever forget it because on that occasion the Prime Minister did something that has never before been done in the annals of parliamentary history. But if it was right for him, it is right for us to ask for these reports. It is the duty of the government to produce these series of documents or series of reports—

Mr. Churchill: What documents? What reports?

Mr. Martin (Essex East): —which indicate the assessment of the economic situation made by the officials of the department.

Mr. Speaker: Order. I am sorry to interrupt the hon. member but his time has expired.

Mr. Hees: Thank heaven.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, it seems to me we are entitled as members of the house to draw attention to the tactics being followed by the members of the opposition and the cynical approach—

Mr. Pickersgill: Mr. Speaker, I am rising on a point of order.

Mr. Churchill: You cannot take it.

An hon. Member: Miss Puddleduck.

Mr. Speaker: Order. I scarcely see how a point of order could have arisen so soon but if the hon. member has one I shall hear it.

Mr. Pickersgill: My point of order is this. I think perhaps Your Honour will find I am rather more perceptive than the hon. member for Winnipeg South Centre was because the Minister of Justice got up and started to talk about the tactics used by hon. members. I was severely restricted by Your

Honour in the kind of argument I could use and it was even suggested that I could not identify the documents.

Mr. Churchill: You didn't.

Mr. Pickersgill: Surely it is not germane to a discussion of this motion for an hon. member, above all the Minister of Justice, to get up and in his first phrase start imputing motives to other hon. members who are exercising their rights in the house.

Mr. Montgomery: Exactly what are you doing now?

Mr. Pickersgill: That is my point of order and it seems to me the hon. gentleman should be restricted.

Mr. Speaker: I cannot see anything derogatory in an hon. member saying of another hon. gentleman that in carrying on the debate he has tactics. It seems to me that imputes nothing immoral.

Mr. Fulton: Mr. Speaker, I am convinced that my hon. friends would have been very angry with me indeed if I were to have said that they were completely without tactics, as devoid of tactics as they are of common sense, in bringing on this motion. That would really have annoyed them. I have not imputed motives. I will leave the analysis and conclusion as to motives to others when the facts are fully exposed and placed before them. Because I fully recognize and appreciate the rules of the house with regard to the imputation of motives I do not intend to impute motives.

I believe we are entitled to look at the situation which by their very words the members of the opposition have asked us to create in this house in bringing forward this motion.

For the moment may I leave aside altogether the question of whether there exists such a document as is asked for. It seems to me the statement of the Minister of Trade and Commerce has disposed of the motion itself and certainly should have disposed of the argument long ago when he said there is no such document that can be produced. Hon. members opposite insist that there is one. Somewhere, they feel sure, there should be such a document, that there must be one.

Mr. Pickersgill: There certainly should be.

Mr. Fulton: If there is, what is it? What would it be? It would be the latest written economic report made to the Minister of Trade and Commerce.

Hon. members of the house including Your Honour heard what was said by the hon. member for Essex East just a moment ago. As I understood him he included the hon. member for Bonavista-Twillingate in his reference and indicated that that hon. member shared the same view; that is, as he said, that it was a mistake, and that it was an undesirable thing that such a document should be tabled. That is their view.

Mr. Martin (Essex East): That is the view we have always taken.

Mr. Fulton: It is their view that the document in question should not have been tabled back in 1959 when it was tabled in this house.

Mr. Pickersgill: In 1958.

Mr. Fulton: Hon. gentlemen opposite said it was a mistake and went on to use adjectives—I do not recall them all—indicating that they took a very poor view of that development. The hon. member went on to say that this represented a bad practice. Of course, we do not share their view with regard to the tabling of the document at that time under the circumstances in which it was tabled. It will be recalled that it was no longer current. I think the document at that time was approximately a year and three months or a year and six months old—

Mr. Pickersgill: Nine months.

Mr. Fulton: It was stated that it was our view that the document was no longer current and that the confidential nature of it which argued against its tabling when the report was first made no longer applied. But my hon. friends opposite do not accept that view. They say that that was a bad thing to have done.

Mr. Pickersgill: Mr. Speaker, I rise on a question of privilege.

Mr. Fulton: What are they now asking this house to do?

Mr. Pickersgill: I rise on a question of privilege, Mr. Speaker.

Mr. Fulton: Really, Mr. Speaker—

Mr. Pickersgill: A question of privilege, Your Honour.

Mr. Fulton: I am sure Your Honour will assist me by not allowing the hon. member to interrupt.

Mr. Pickersgill: Mr. Speaker, the minister is seeking to put words in my mouth.

Mr. Speaker: The hon. member raises a question of privilege. Of course, if there is one, it is his duty to raise it when it arises.

Mr. Pickersgill: My question of privilege is this, Mr. Speaker. In this very restricted debate the minister is putting into my mouth words which I did not use at all. I based my whole argument on the Prime Minister's statement that the previous government had

concealed this document and that it should have been published by the previous government at the time. Let the minister answer that.

Mr. Speaker: Order. The hon. member is rising really to explain a misinterpretation, which he may do at the conclusion of the remarks of the minister. It is not a question of privilege that arises in the course of debate.

Mr. Fulton: Mr. Speaker, if I am guilty of an error in saying that the hon. member shared those views I think the place he should ask the correction to be made is of the hon. member for Essex East, because he was the one who indicated that he and his friend the hon. member for Bonavista-Twillingate both took this view.

The point, however, is this. At least one of those hon. gentlemen, a leading member of the opposition party, has stated in the course of his remarks that in their view this was a wrong thing to do, that it was a wrong practice.

Mr. Martin (Essex East): That is not the position you took.

Mr. Fulton: What are they now asking to do except that, by this motion, one mistake should become the practice? Could anything be more cynical than that?

Mr. Pickersgill: What the Prime Minister did was much more cynical.

Mr. Fulton: In the view of hon. members opposite this was a bad thing. It should not have been done when it was done. Now they want to make it a practice in this house. They want to perpetuate a mistake. When I say "they" I refer to hon. gentlemen opposite. That is what they are asking this house to do. Well, sir, this house and the country learned the danger of perpetuating mistakes back in 1957 and they put the Liberals over there on the other side of the house so that mistakes would not be perpetuated any longer.

Mr. Pickersgill: You are concealing a document the Prime Minister accused us of concealing. That is what you were doing.

Mr. Fulton: Let me make it clear again, that I am discussing their view when I say it is submitted it was a mistake.

Mr. Pickersgill: How about discussing the Prime Minister's view?

Mr. Fulton: We, of course, as I said earlier, did not say it was a mistake under the circumstances under which it was done.

Mr. Martin (Essex East): Let us have the reports, then.

[Mr. Pickersgill.]

Mr. Fulton: The difference between that circumstance and this is that when the other document was tabled it was tabled many months after it was published.

Mr. Pickersgill: And we were accused of hiding it.

Mr. Fulton: The report was tabled many months after it was first made.

Mr. McGee: I rise on a point of order, Mr. Speaker. We have just witnessed again these two arrogant gentlemen sprawling in their seats interrupting freely and at will the hon. member who has the floor. Surely that is contrary to the rules of the house.

Mr. Pigeon: That is right.

Mr. Speaker: The Minister of Justice has the floor. The minister is entitled to make his argument. I find it difficult to follow because of interruptions.

Mr. Crestohl: These juvenile backbenchers.

Mr. Speaker: There have been interjections from both sides of the house. I invite hon. members to give the minister who has but a few minutes, a clear opportunity to present his argument.

Mr. Pickersgill: There is very little argument.

Mr. Fulton: I am nearly through, Mr. Speaker. I have only the following two points to make. The hypothetical or alleged document the production of which is now sought would, if it existed, be current. That results inevitably from the terms of the hon. member's resolution.

Mr. Pickersgill: It is being hidden.

Mr. Fulton: The hon. member in his resolution asked for the production of the most recent in an alleged series of documents. The hon. gentleman seeks the production of a current document which he well knows—

Mr. Pickersgill: Which the Prime Minister said we hid.

Mr. Fulton: —it is not the practice to produce, for reasons which he also well knows; whereas the production of the other document on the previous occasion was the production of a document which was no longer current. Therefore the two circumstances are entirely different.

But third, Mr. Speaker, my colleague has said that there is no such document. Therefore my argument may be summarized as follows.

First, there is no such document. Second, there is no precedent for its production, even if such a document existed. Third, since it is perfectly obvious that all we

are being asked to do by my hon. friends opposite is to establish as a practice that which they themselves have said they regard as a mistake, I am confident that this house will treat the motion with the contempt it deserves.

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

Mr. Pickersgill: I believe I would have a moment or two in which to reply.

Mr. Churchill: No.

Mr. Pickersgill: Is this not a substantive motion?

Mr. Speaker: I believe that the motion is a substantive one.

Mr. Pickersgill: Speaking on the point of order, Mr. Speaker, may I say this. Surely the mover has a right of reply.

Mr. Speaker: If the hon. member speaks now he will close the debate.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wish to speak now to close the debate. I agree completely with one thing the Minister of Justice said. I agree completely that it would be quite wrong to have this motion passed. It would be contrary to good parliamentary practice. It would be contrary to the proper relationship between public servants and public men which existed up until January 20, 1958 and which was destroyed by the improper publication of the document referred to in my motion by the Prime Minister on that occasion. The only reason I had for making this motion was to put on record something to remind the people of Canada that the Prime Minister himself had said that the previous government should have published that document when it was current.

Mr. Fulton: Oh, no. I rise on a question of privilege, Mr. Speaker. The hon. member has misstated what was said. What the Prime Minister said was that the former government should not have attempted to deceive the people as to what was in the document.

Mr. Pickersgill: That is not a question of privilege. It is just wasting time. The Prime Minister said the document was hidden. He said, "They concealed the facts". He said, "They did not tell us what the facts were". The Prime Minister also said—and this was in reply to Mr. Knowles—"It is assumed it has been tabled". He did not know whether or not it had been tabled when he started to use it. All he knew was that he had torn the top page off it with the word "confidential" in order to try to cover up.

Mr. Churchill: I rise on a point of order.

Mr. Pickersgill: It was the most shocking performance that ever took place in the Canadian parliament.

Mr. Churchill: The hon. member has stated that the Prime Minister tore the top page off the document. He has no evidence whatever to that effect. He should withdraw that statement immediately.

Mr. Pickersgill: I withdraw it immediately. I have no evidence. Maybe somebody else tore it off for him. However, when the Prime Minister tabled it, it was torn off. Those of us who saw the document in its original form, know that and they include the former minister of trade and commerce, Mr. Churchill, who saw it many months previously, as he knows very well, as did the Prime Minister. He said he found it at the last possible moment. The Minister of Veterans Affairs knows that is not true. He knows that months previously the Prime Minister had this document which he said was hidden. It was not hidden at all. It was available to every minister in the files of his department.

Mr. Speaker: Order. May I remind the hon. member that the debate is on the production of a current document. He is getting rather widely afield. In his argument on what was done with a similar previous document he is correct but it is not proper to go into other circumstances.

Mr. Pickersgill: Your Honour is quite right. This incident is one of the few things in public life which, because of its disgraceful character, arouses me very much. However, I submit at once to Your Honour's ruling. I do not in any way wish to participate in, to appear to condone or to have anything to do with that disgraceful kind of conduct, I would ask the permission of the house to withdraw my motion.

Some hon. Members: Oh, oh.

Mr. Churchill: No.

Mr. Speaker: Has the hon. member leave to withdraw his motion?

Mr. Churchill: No.

Some hon. Members: No.

Mr. Speaker: Those in favour of the motion will please say yea.

Mr. Hees: How ridiculous can you get? How cynical can you be?

Mr. Crestohl: What are you afraid of?

Mr. Speaker: Those opposed to the motion will please say nay.

Some hon. Members: Nay.

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

An hon. Member: It is unanimous.

Motion negatived.

Mr. Speaker: I declare the motion lost. It being six o'clock, the house will revert to the business which was interrupted at five o'clock.

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

Water resources branch—

649. Construction or acquisition of buildings, works, land and equipment—further amount required, $40,000.

Miss LaMarsh: I should like to say something with regard to this vote. Perhaps these remarks do not have the urgency which they had recently. The minister no doubt is aware that, with his responsibility over water resources, he has received a brief which was prepared jointly for the governments of Canada and the United States with respect to the proposed extension of Niagara river remedial works and certain proposed operational procedures. One such brief was prepared by the Ontario hydro and one was prepared by the power authority of the state of New York and they were submitted in March of last year.

This fact did not become known to the people of Niagara Falls until an item appeared in the *Globe and Mail* of October 6, 1961, wherein it was indicated that the proposal was to undertake certain studies with a view to making a further diversion of water from the Niagara river for power production. When these plans became known to individuals in Niagara Falls, there was a considerable outcry. Under the guidance of the greater Niagara chamber of commerce, which covers three of the largest municipalities in my riding, a committee was set up comprised of both United States and Canadian residents from the twin cities of Niagara Falls. After hearing representations from Ontario hydro and from the United States power authority, the committee found itself completely opposed to the proposal.

While it is admitted that the initial request was only to conduct certain tests, these tests would have resulted, it was anticipated, in a reduction of the water flowing over the falls. Now, in 1950 there was a treaty entered into between the United States and Canadian governments, and that treaty provided there would be a minimum flow over Niagara Falls of 100,000 cubic feet per second during the day between the hours of 8 a.m. and 10 p.m., and that would be from April 1 to September 15. Then, between 8 a.m. and 8 p.m. the same quantity of water would be allowed from September 16 to October 31 inclusive. At all other times, the allowable flow was to be reduced to a minimum of 50,000 cubic feet per second, except when there are ice jams in the river to such an extent that it would be necessary to flush them down. The 100,000 cubic feet per second allowance, which is allowed in what is called the tourist season, is about one third the flow of the Niagara river.

When on November 1, 1961, for the first time, the smaller amount was permitted it was immediately ascertained that in so far as the laymen or tourists were concerned, there was an extremely bad effect. It was apparent that there was in the upper river large rocks which had never before been visible; that the water in the basin below the falls in which the *Maid of the Mist* plies had dropped by about 35 feet exposing hazardous rocks; that the mist which had formerly hung over the falls and was in itself a tourist attraction, had fallen to ground level because there was not sufficient updraft resulting from the fall of water to lift it. The local people were appalled by this, particularly since they have made very strenuous efforts in the last few years to attempt to increase their tourist business all year round and not simply limit it to the pleasant summer months of the year.

Meetings were arranged and there was considerable outcry. I had expected that when these estimates were raised I would be in a position to make considerable complaint and appeal to the government to heed the outcry of the residents of Niagara Falls, New York and Niagara Falls, Ontario to assist. As a result of correspondence with the then minister of energy in Ontario, I received the brief which had been forwarded to the international joint commission and which had indicated that it was anticipated some $3 million worth more in power might be developed by what was considered to be an additional minor diversion. However, that diversion, it was expected by those in the area who were interested, would have resulted in an even further loss of water, in less sound developing from the falls, in less mist and indeed in a decrease in beauty. It has been estimated that the falls bring into Niagara Falls city about $40 million a

year in tourist business, and it was strongly urged that $3 million worth of power produced would be insufficient to compensate for this loss.

Because of the complaints made, it was agreed by the joint commission that they would go to Niagara Falls, take certain photographs and view the falls in its reduced state. A meeting was to be arranged in January. However, within the past few weeks the United States power authority, that is the state power authority of New York, had withdrawn its application to the international joint commission to conduct such experiments which would necessarily reduce the flow. Shortly thereafter, Ontario Hydro-Electric Power Commission as well withdrew its application. I have, under date of March 20, a communication from the greater Niagara chamber of commerce which indicates it has placed a resolution before the Ontario chambers of commerce which are to meet in Niagara Falls on May 9, 10 and 11, and to which I invite all members of the house who may wish to attend, to ask both levels of government to intervene in any further approach towards the commission to perform such experiments with a view to cutting the water falling over the falls.

Notwithstanding the fact the applications have been withdrawn it is the feeling of the greater Niagara chamber of commerce that, so far as is possible, an undertaking should be obtained from the provincial power authority and from this department not to permit further diversion of the water from the face of the falls. This has been supported by a resolution from the city of Niagara Falls and a resolution of the Niagara Falls local of the united electrical workers of Canada. I ask, Mr. Chairman, whether the minister has had any such communication from the interested parties and whether he has any remarks which he would like to make concerning the department's position in respect of a possible renewal of the applications which I am informed may come within three or four months or three or four years.

Mr. Dinsdale: Mr. Chairman, this matter, as the hon. member has intimated, is one which has been handled largely by the international joint commission on boundary waterways. The position of the water resources branch of my department in respect of this matter has been to provide the necessary engineering data and so forth. I can assure the hon. member that the department is very conscious of all the implications of a proposal of this kind.

It so happens that the tourist promotional activities of the government come under the Department of Northern Affairs and National Resources. Therefore not only are we interested in this proposal from the standpoint of its impact on water resources but also from the standpoint of its impact on the appeal of Niagara Falls to the tourists, and the contribution of Niagara Falls to the tourist industry.

I am sure the hon. member is also aware that inherent in the treaty are the tourist potentialities of Niagara Falls. I thank her for her contribution to the discussion in this way and assure her the matter is being watched very carefully.

Miss LaMarsh: May I ask the minister one or two further questions. Those interested in the problem in Niagara Falls have had some difficulty in ascertaining the meaning of certain words within the treaty. There is a particular reference to off-season, and this is now taken to mean from the first of November in each year; but it is not so defined. There is also a reference to the beauty of Niagara, but of course no criterion is given. It became very apparent within the last four months that there was a considerable difference of opinion as to what the beauty of Niagara might be, whether it might be a six foot or a six inch flow over the crest. I wonder if the minister might inform the committee whether there is any definition to which such interested persons might have recourse, and which might be of some assistance to them if the problem arises again.

Mr. Dinsdale: I would suspect that the description of the beauty of Niagara Falls is a qualitative rather than a quantitative category. Of course it would involve insurance that a sufficient fall of water is maintained, and I do not think we could get an actual specific judgment from an engineer or from engineering sources. The personnel in the water resources branch are primarily qualified engineers. If we wanted an accurate description of what is described in the phrase "beauties of Niagara" I suggest we should have to resort to the opinion of honeymoon couples.

Miss LaMarsh: They are the last ones who would know.

Mr. Pickersgill: I would like to ask the minister about something which is either under way or is still under contemplation; I am not quite sure which. I want to ask about something in Manitoba and perhaps I can best explain it by reading a brief extract from the Winnipeg *Free Press* of January 26, 1962, headed "Roblin blasts Fairfield".

Mr. Martin (Essex East): Fairclough?

Mr. Pickersgill: No, Dr. George Fairfield, Conservative member of parliament. It reads:

Premier Duff Roblin Friday accused Dr. George Fairfield, Conservative member of parliament for Portage-Neepawa with making "unwarranted and misleading" statements about the proposed Assiniboine river diversion.

Dr. Fairfield Thursday told the House of Commons that the diversion could end up as a $12 million "flop." (See earlier story page 8).

I am not going to put that on the record.

In a sharp reply Friday, Premier Roblin said, "It is a matter of regret that Dr. Fairfield should make what I take to be an unwarranted and misleading statement.

"I must assume that he is not well informed about water control and conservation on the Assiniboine river.

"Ten years of study and the best counsel available in North America have gone into the water conservation plan now adopted by the Canadian and Manitoba governments.

"All this information is available to Dr. Fairfield any time he wishes to make use of it. As a professional man, I'm sure he will understand that our professional advisors have taken into full account the various problems involved in these projects."

Dr. Fairfield's attack on the project came only a day after agriculture minister—

That is the provincial minister—

—George Hutton had won approval for the floodway from a majority of members of the prairie flood control organization, which represents people of the area.

I think the house would be interested to know whether the minister is on the side of the premier or on the side of his colleague here in the house, and also what progress is being made in this controversial question.

Mr. Dinsdale: Actually this item, as the hon. member for Bonavista-Twillingate knows, comes under the purview of prairie farm rehabilitation, but I am quite happy to answer his question. Judging by the statement he has read from the Winnipeg *Free Press* there seems to be an honest difference of opinion between the two gentlemen to whom he has referred, and I think I could give the same answer to this query as I gave to the previous query concerning Niagara Falls, that this, I think, is as much a qualitative as it is a quantitative judgment. In so far as wanting to know which side I am on, I would say I am on the side of the angels.

Mr. Pickersgill: Could the minister tell us which side the angels are on, because I think a lot of people would like to know? Perhaps the minister could also give us a very brief progress report on the Red river floodway which I believe comes within the purview of his department. I do not want to hold the estimates up, but it would be interesting to know what progress is being made with this project, which was going to be started four or five years ago. We all recall that when Premier Roblin took office in Winnipeg it was going to be done in no time; but now a long, long period has elapsed and there does not appear to be great progress made.

Mr. Dinsdale: So far as the Red river project is concerned this does come under the Canada Water Conservation Act.

Mr. Pickersgill: Yes, I wanted to be in order.

Mr. Dinsdale: I can appreciate that, Mr. Chairman.

Mr. Churchill: That is new.

Mr. Dinsdale: I have reported from time to time when the hon. member for Bonavista-Twillingate has inquired solicitously about this matter. We are making very encouraging progress and the program is going to be under way this year. As a matter of fact, judging from the past performance of the former administration, it is about 20 years ahead of what might have been expected.

Mr. Pickersgill: I think I should thank the minister for the suggestion that the former administration was so aggressive that it would have gone on with the project before the need was manifest, since the great Winnipeg flood is not yet 20 years away. As the minister knows, at the time when Mr. Roblin was successful in becoming premier of Manitoba he assured the people that Dief and Duff were just "like this". I do not know how *Hansard* is going to interpret that, but it meant they were very close. They do not seem to be very close nowadays; but he said there would be no time lost before this project would be under way. Does the minister really think that before parliament is dissolved there will actually be a shovelful of earth taken out?

Mr. Dinsdale: Oh yes, Mr. Chairman. As a matter of fact there was some digging done last summer. Since the hon. member for Bonavista-Twillingate abandoned Manitoba for Newfoundland he has been out of touch with the situation in Manitoba. I know he was there during the 1930's when things were at a bad pass under the former Liberal government.

Mr. Pickersgill: No, under the Bennett government. The minister is too young to remember, but I do.

Mr. Dinsdale: Since Mr. Roblin and the Conservative administration took over there is a whole new situation. The atmosphere is one of progress and I am sure the hon. member would be delighted to see it if he would return home to Manitoba and pay a visit to us there.

Mr. Pickersgill: Could the minister say whether any contracts have been let under the joint program and what proportion of the cost is being paid out of the federal treasury?

Mr. Dinsdale: This has all been put on the record previously. From memory I can say that there are various aspects of this project. It is a very comprehensive program of water conservation and control. One of the basic contributions was a federal contribution of 37.5 per cent under the Canada Water Conservation Act. I want to be accurate in this respect. The ancillary works will be met by contributions as high as 75 per cent of the cost, that is, relocation of roads and so forth which are involved in this Red river floodway. It also incorporates the complete water basin project; that is, the Assiniboine plus the Red river. The Assiniboine aspect, as I have already indicated, is coming under the Prairie Farm Rehabilitation Act, which represents a federal contribution of some 50 per cent.

Mr. Pickersgill: In connection with the part with which the minister's department is concerned, have there been any contracts let under the joint program yet?

Mr. Dinsdale: The contracts have been called, I believe. I must not be presumptuous, Mr. Chairman, on this matter because the contracts are handled by the provincial government, and I am afraid I could not answer that question without referring to the government of Manitoba.

Item agreed to.

Northern administration branch—
Welfare and industrial divisions—
650. Construction or acquisition of buildings, works, land and equipment—further amount required, $270,000.

Mr. Nielsen: Mr. Chairman, I cannot let this item pass without remarking, in contrast to the remarks that have been made by hon. members opposite today in connection with northern development generally, upon the housing improvements that have taken place in the Yukon and Northwest Territories generally in the last two years. Particularly concerned in this item is an amount which will set up a low cost housing loans scheme for the Yukon territory, I believe. This plan was evolved in the last year and a half and will make available to residents of the Yukon a fund upon which they can draw to construct housing, where this was impossible before. In keeping with the enlarged regulations under the National Housing Act which has brought about a construction program in the Yukon, where there was absolutely none prior to 1957, this provision in the minister's supplementaries is very encouraging indeed.

I simply rise to remark upon that aspect and to ask the minister whether it is the intention of the department to continue the appropriation that was granted last year in connection with the development of an urban renewal scheme in the city of Whitehorse; that is, the development of what is commonly known as lot 19. I have consulted representatives of the property owner and the officials of the city of Whitehorse, who I understand just today or the day before communicated with the minister's department requesting that the lot 19 scheme be undertaken once again by the joint federal, territorial and municipal governments. Therefore I rise now to ask the minister whether the federal participation in this scheme will be renewed if the owner of lot 19, the municipal authorities and the territorial government agree once again to co-operate in an effort to rehabilitate the areas in the city of Whitehorse which should properly be considered under an urban renewal program such as that suggested.

Mr. Dinsdale: Mr. Chairman, I thank the hon. member for Yukon for his complimentary references to this program. He, of course, could himself have taken considerable credit for the scheme if he were not such a modest gentleman, because originally the suggestion for a program of this kind came from the hon. member.

I am pleased to hear that it is having such a beneficial effect in providing very badly needed housing accommodation for the people north of the 60th parallel. This program, of course, is carried forward into the Northwest Territories as well as the Yukon territory.

With reference to the specific problem of urban renewal in the city of Whitehorse, again the hon. member for Yukon will be aware that our plans in this regard were somewhat slowed down by the failure last fall of the plebiscite to get the approval of the people of Whitehorse. However, I can assure him that we have not changed our plans in this regard. We want to proceed with this urban renewal program. We feel that it is in the best interests of the people concerned, and the hon. member can be assured that any effort in this regard will take into consideration the local problems with respect to the dislocation of the people who would be involved in this urban renewal program.

(Translation):

Mr. Pigeon: Mr. Chairman, I only wish to say a few words about this item dealing with northern areas.

I should like to point out to the minister that education in new Quebec should normally come under provincial jurisdiction—

The Chairman: In my opinion, the hon. member is straying from the item under discussion when he deals with this matter.

Mr. Pigeon: I shall have the opportunity to come back to it later on.

(Text):

The Chairman: Shall vote 650 carry?

Mr. Pickersgill: Before the vote passes, could the minister tell us what items are comprised in here. Is this wholly for housing?

Mr. Dinsdale: The item you are referring to is—

Mr. Pickersgill: No. 650.

Mr. Dinsdale: Yes, this is to provide for the low cost housing program, in this instance for the Yukon territory.

Mr. Pickersgill: This vote is entirely for the Yukon? I think the minister said that part of it was in Mackenzie River, but that may be the main vote.

Mr. Nielsen: It is for the Northwest Territories as a whole.

Mr. Dinsdale: Yes, the Northwest Territories as a whole, plus the Yukon.

Mr. Pickersgill: Could the minister say in what places this is being carried out.

Mr. Dinsdale: This development program applies to the whole northern area of Canada, where formerly the native population was nomadic and in the literal sense they were hopping from igloo to igloo—

Mr. Pickersgill: Without roads.

Mr. Dinsdale: —to quote a classical phrase. The igloo was quite a useful form of temporary accommodation; but once industrial activity and development makes possible the establishment of permanent settlements, the igloo is no longer a suitable kind of housing accommodation. This situation has created a very urgent demand for minimum standard housing for the people of the north and this program is going forward in every community that requires this type of housing.

Mr. Pickersgill: Could the minister say whether any of this housing is provided for Indians, or does his colleague, the Minister of Citizenship and Immigration, have a separate program?

Mr. Dinsdale: Mr. Chairman, I think the hon. member for Bonavista-Twillingate, in view of his former responsibilities in these matters, would be aware that Indian affairs are handled by the Department of Citizenship and Immigration in the north as well as other parts of Canada.

The Chairman: The hon. member for Yukon.

Mr. Pickersgill: That is only true to a limited extent, because the minister will recall—

The Chairman: Order. I recognized the hon. member for Yukon.

Mr. Pickersgill: Mr. Chairman, I was replying to an observation made to me by the minister.

Mr. Nielsen: I believe I was on my feet first.

Mr. Pickersgill: If that is the wish of the Chair, I will resume my seat.

The Chairman: If the hon. member for Yukon wishes to yield the floor in order that the hon. member for Bonavista-Twillingate may finish his observation, he may do so; but before the hon. member for Bonavista-Twillingate had risen I had already recognized the hon. member for Yukon and the floor is his unless he yields it.

Mr. Nielsen: I wished to speak on the same subject, Mr. Chairman. I wanted to say that the program of low cost housing in the Yukon territory as provided for under this supplementary is equally as applicable to the Indian people of the Yukon as it is to other residents.

Mr. Pickersgill: That is in direct contradiction of what the minister said.

Mr. Nielsen: It fills a gap that was very sadly overlooked during the 22 years of the previous administration. The program is already in operation in the Northwest Territories and is progressing quite well in the Yukon. It will provide low cost homes for people in all parts of the territory—indeed for all peoples in all parts of the territories—where such a program was previously completely unavailable.

Mr. Pickersgill: I am glad, Mr. Chairman, that you allowed the hon. member for the Yukon to correct what the minister has said. The minister said that the Indians were not covered by this program but came under the Department of Citizenship and Immigration. The hon. member for the Yukon promptly got up and corrected the minister's statement. He said these houses were available to Indians. I do not know which of the two hon. members is right, but they cannot both be right.

Mr. Nielsen: On a question of privilege—

The Chairman: I think the hon. member is rising on a question of privilege.

Mr. Nielsen: Yes. The hon. member for Bonavista-Twillingate has accused me of contradicting the minister. I am doing no such thing. This program is in addition to that which was provided for the Indian people—a program which has been greatly expanded in the last few years to the benefit of the people of the north.

Mr. Dinsdale: Perhaps I might comment. I forgot it is some four years since the hon. member was responsible for these matters and so many changes have taken place since that time—so much progress has been made—that perhaps I should have been more specific in my reply.

Mr. Pickersgill: That, of course, was why I was inquiring. It is nearly five years since I had the responsibility for the Department of Citizenship and Immigration.

An hon. Member: Yes. And it will be another five—

Mr. Pickersgill: Oh no. Perhaps five months—

An hon. Member: Four months.

Mr. Pickersgill: I doubt if this is relevant to the item before us, interesting though it would be to debate this subject, and fruitless though it would be to debate it in the absence of the Prime Minister who is keeping hon. gentlemen opposite even more in the dark than the rest of the people of this country.

Mr. Martin (Essex East): They are in a state of agitation.

Mr. Pickersgill: Visibly. However, I want to come back to the question of housing for the Indians. I assume the minister knows that when Mr. Lesage was minister of northern affairs, and I was the minister responsible for Indian affairs, an agreement was made between the two departments whereby the schools in the Northwest Territories were provided alike for the Indians and the rest of the population by the department of northern affairs. I think that was a wise thing to have done and a progressive step to have taken. I assumed that since there are no Indian reserves in the Northwest Territories—the Indians live anywhere they please, as does the rest of the population—the Department of Citizenship and Immigration did not have any housing program but that there was one single program in that area. I was surprised to hear the minister say that the Department of Citizenship and Immigration also had a program. Is that correct?

Mr. Dinsdale: I think the hon. member has answered his own question. All these activities involving welfare, education, housing and so forth are handled on an interdepartmental basis in the interests of greater efficiency.

Mr. Pickersgill: The minister is, of course, trying to cover up. What he is saying in other words, is that there is only one housing program and it is run by his department. Is that right or not?

Mr. Nielsen: Mr. Chairman, if I may—

Mr. Pickersgill: Ah, the parliamentary assistant to the rescue.

Mr. Nielsen: The hon. member is trying in characteristic fashion to confuse the issue or else he is genuinely misinformed. As a former minister he should know that there was an Indian housing program across the whole of the north and it is continuing now in greatly expanded form as compared to what was done under the previous administration. This program which the minister has introduced by this supplementary estimate represents an addition to the existing program of the Indian affairs branch and is providing houses not only for the Indian people who may, if they wish, take the opportunity available to them, but to all the residents of the territory so that they might be provided with housing in circumstances where otherwise, because of the high cost of construction in the north and the nature of the present regulations under the National Housing Act, they would be unable to do so.

Mr. Pickersgill: I must thank the hon. member for the Yukon for the first compliment he has ever paid me. He did this by pointing out that there was a very considerable Indian housing program when I was in the ministry. Inadvertently, the hon. gentleman has admitted the truth of what I was pointing out this afternoon, namely, that all these things were started by the previous government.

Mr. Nielsen: Again, I cannot let that go by without comment, because I did not use the word "considerable" at all. If I had to comment on that program I would say that a program which was just piddling along under a Liberal administration has increased tenfold in the last four years.

Mr. Robichaud: Can the minister advise this committee if an estimate has been made by his department as to the cost per unit of this housing and how many units are involved in this item of $270,000?

Mr. Dinsdale: There is no specific cost per unit. The homes vary in cost from $500 to $7000. This is not a charity scheme on the part of the administration. This vote is included to provide mortgages to enable the

local population to construct their own homes according to their ability to pay for them.

As to the specific number of homes that will be required, it is hard to make an accurate estimate because changes are taking place so rapidly in the north as people settle in the new communities; but it is estimated that over the next ten years some 11,700 units will be required. I believe that is accurate. I am speaking from memory and if I am incorrect I shall be happy to get in touch with the hon. member.

Mr. Robichaud: Does the minister realize that if the $250,000 which was mentioned this afternoon in connection with the Arizona Charlie dance hall was added to this amount it would make possible between 700 and 800 new homes in this region?

Mr. Nielsen: Surely the hon. member is not following the precedent of his friends by criticizing the restoration of the Grand Palace theatre as part of the Dawson city celebrations? Does he think that the Dawson city festival is an unwise investment, or that it will not attract tourist traffic to the north?

Mr. Pickersgill: Are we back to the twist, Mr. Chairman?

Item agreed to.

672. Loans to the government of the Yukon Territory (hereinafter called the "territory") in the current and subsequent fiscal years, in accordance with such terms and conditions as the governor in council may approve, to enable that government to make mortgage loans to residents of the territory for the purchase or construction of low cost houses in the territory; and to authorize the commissioner in council of the territory, notwithstanding anything in the Yukon Act, to make ordinances in respect of the repayment by the government of the territory of loans made to it pursuant to this vote and in respect of the lending of money to residents of the territory for the purchase or construction of houses in the territory and the taking of security therefor by way of mortgage, $240,000.

Mr. Pickersgill: Can the minister give us a short explanation of this?

Mr. Dinsdale: Again, this vote is to provide capital for housing construction in the Northwest Territories. A capital sum is provided on a loan basis to the government of the Yukon territory in respect to housing construction. The program outlined in the other vote was a program providing for a more elaborate style of home. This program can be described as follows: The National Housing Act was intended to encourage the development of low rental housing of a type which is desirable in southern Canada. In the Yukon and in the Northwest Territories, however, the high cost of construction, of heating and of water and sewer services places the National Housing Act standards well beyond the ability to pay of the majority of residents. Even with the new second mortgage proposals approved by parliament with the further supplementary estimates in March, 1961, a very large number of residents of the northern territories cannot afford National Housing Act standards. Costs in the north will not likely permit these people to achieve these standards for probably 20 years and interim measures are required.

Special housing programs subsidized by the federal government are already under way for the Indians and Eskimos of the north. The latest estimates place the white population at 11,500 in the Yukon and at 9,400 in the Northwest Territories, a total of 21,100 people.

In addition to the Eskimo and Indian populations there are group centres in the north not taken care of by the program that we have already outlined so that this item No. 672 is designed to fill the gap among those special categories of northern settlers.

Item agreed to.

674. Loans to the government of the Northwest Territories (hereinafter called the "territories") in the current and subsequent fiscal years, in accordance with such terms and conditions as the governor in council may approve, to enable that government to make mortgage loans to residents of the territories for the purchase or construction of low cost houses in the territories; and to authorize the commissioner in council of the territories, notwithstanding anything in the Northwest Territories Act, to make ordinances in respect of the repayment by the government of the territories of loans made to it pursuant to this vote and in respect of the lending of money to residents of the territories for the purchase or construction of houses in the territories and the taking of security therefor by way of mortgage, $240,000.

Mr. Pickersgill: Mr. Chairman, this is quite a large item. Will the minister tell us what this is for?

Mr. Dinsdale: Mr. Chairman, this vote provides for a loan of $150,000 to the government of the Northwest Territories subject, of course—

Mr. Churchill: You are on the next one.

Mr. Dinsdale: Is this 674?

Mr. Pickersgill: Yes.

Mr. Dinsdale: The other vote, Mr. Chairman, covered the Yukon territory. This present vote, as it indicates, provides the same services for the Northwest Territories. There are two territories north of the sixtieth parallel, the Northwest Territories and the Yukon territory.

Mr. Garland: Could the minister give the committee any information as to the cost of housing on a per square foot basis in the area to which this vote relates?

Mr. Dinsdale: Mr. Chairman, I do not think the hon. gentleman is really serious when

he asks me that question. But if he wishes the details of the housing program perhaps I can supply him with an outline of what the program is designed to do although I cannot give him the cost per square foot.

Mr. Martin (Essex East): That is not the question. That is a very devious digression.

Mr. Dinsdale: Mr. Chairman, I do not have the cost per square foot at my disposal. I shall be glad to obtain that information. I might have the costs per square head but not per square foot.

Mr. Nielsen: Mr. Chairman, in all reason I think the hon. member for Nipissing realizes—

Mr. Robichaud: The minister has a new parliamentary secretary. What is he paying you?

Mr. Nielsen: —that the costs per square foot in the north are going to vary from Alert Bay to Whitehorse as much as they do from St. John's, Newfoundland, to Vancouver.

Mr. Martin (Essex East): That does not answer the question. I suggest to the parliamentary secretary that he should allow the minister to answer the questions and we would get ahead much faster.

Mr. Garland: Yes. It would be interesting to put another question to the minister with the permission of the hon. member for the Yukon.

We in this committee are interested in knowing about these matters. As I understand it the federal government does not enter into negotiation. This money is for lending purposes only, is that right?

Mr. Dinsdale: Yes, Mr. Chairman, the hon. member for Nipissing takes a very reasonable approach to this matter. These programs are, of course, handled by the respective territorial governments. In the Northwest Territories the money is lent to the territorial government and it is repayable, of course. The territorial government administers the program and, as I have already intimated, if the hon. member would like to have the details concerning the specific costs of the program I would be happy to provide them to him. I do not have that information at my fingertips but I could give him a general outline of what this particular scheme is attempting to do, if he would be interested.

Mr. Garland: Mr. Chairman, I do not wish to delay the committee. I was interested only in attempting to arrive at an understanding of the amount of subsidization or assistance that is provided. For instance, what is the rate of interest charged on the moneys advanced?

Mr. Dinsdale: The rate of interest is the going rate of interest plus the cost of financing the loan which would bring it up to something like 7½ per cent in the territories.

Mr. Garland: Federal money is made available in the territories?

Mr. Dinsdale: Yes.

Item agreed to.

The Deputy Chairman: That completes the supplementary estimates of the Department of Northern Affairs and National Resources. We turn now to the supplementary estimates of the Department of Public Works.

Mr. Pickersgill: Where is the minister?

Mr. Churchill: The minister is unavoidably absent but I am taking his place and I know the official opposition will co-operate.

Mr. Pickersgill: Is the parliamentary secretary here?

Mr. Churchill: I believe the parliamentary secretary is in hospital.

Mr. Thrasher: He is quite ill following an accident.

The Deputy Chairman: The committee will now consider vote No. 655.

DEPARTMENT OF PUBLIC WORKS

Public buildings construction and services—

Construction, acquisition, major repairs and improvements of, and plans and sites for, public buildings listed in the details of the estimates, including expenditures on works on other than federal property, provided that treasury board may increase or decrease the amount within the vote to be expended on individual listed projects —further amounts required—

655. Nova Scotia, $1.

(Translation):

Mr. Caron: Mr. Chairman, we are now on item—

I regret that the Minister of Public Works (Mr. Walker) is not here this evening, because I would have liked to address my remarks to him personally.

I see we are on item 655, but—

[*Later:*]

I thought this was the vote relating to public buildings construction and services. That is the first item that comes under the Department of Public Works. I particularly wanted to discuss the construction of buildings and repairs. This seems to relate to Nova Scotia and New Brunswick. I can wait until we reach the vote relating to buildings in this region. I wanted to make general remarks about construction and repairs.

Mr. Bourget: I understand that the Department of Public Works has received numerous protests about this item relating to a public building at Reserve Mines. I wonder whether the acting minister could give the committee some information about the protests and what has been the decision of the department.

Mr. Churchill: The decision of the department is very firm. No protests have been brought to my attention.

Mr. Bourget: Well, there have been protests. The hon. member for Bonavista-Twillingate raised a question about this in the house a week or so ago. He also mentioned that protests had been sent to the department. The new building was put in a location that is not exactly in the centre of the city and was also on the wrong side of the road. I wonder whether the minister has that information.

Mr. Churchill: I understand some protests were received and were given careful consideration. The Postmaster General and his officials were consulted with regard to this and the best site possible was chosen for the location of the post office.

Mr. Bourget: According to the protests the best site was not chosen. The old post office was located in the centre of the town. The information we have received—and we understand the department has received it, too—is that the new location is approximately 300 or 400 feet from the centre of the town and is also on the wrong side of the road. It is dangerous for school children because they would have to cross the street in order to reach the post office. I wonder whether inquiry has been made after protests were received by the department and whether a final decision has been reached.

Mr. Churchill: I appreciate the interest of the hon. member. However, this matter was dealt with on March 6, on a question asked on the orders of the day by the hon. member for Trinity and answered by the Minister of Public Works along the lines which I have just now indicated when as found at page 1516 of *Hansard* he stated:

> The site which has been picked is the most popular site, the safest site, and the site that pleases most of the people of Reserve Mines,—

Mr. Pickersgill: The minister has not been touched by the fact that the protestants in this matter were the Royal Canadian Legion. I confess I do not know anything personally about the two sites or anything of that sort. However, there seems to be a steady stream of protests, public meetings and so on. As the minister probably knows, this post office was cancelled last year and has been reinstated this year. The government is definitely satisfied that this is the best place to put it, then.

Item agreed to.

Construction, acquisition, major repairs and improvements of, and plans and sites for, public buildings listed in the details of the estimates, including expenditures on works on other than federal property, provided that treasury board may increase or decrease the amount within the vote to be expended on individual listed projects —further amounts required—

656. New Brunswick, $375,000.

Mr. Robichaud: Will the amount of $375,000 mentioned here be sufficient to complete the additions and alterations to the public building in Moncton? Can the minister give some detail as to how this amount will be spent?

Mr. Churchill: This amount will meet the present requirements for this fiscal year. In the main estimates for next year there is another sum to take full care of the further work that must be done.

Item agreed to.

657. Improvements generally and miscellaneous buildings—not more than $25,000 to be expended on any one project without the approval of treasury board, $125,000.

Mr. Caron: I think this is the item on which I can speak in general terms on construction and improvements.

(Translation):

Mr. Chairman, as I said a while ago, I am sorry that the Minister of Public Works is not in the house this evening to discuss his department's estimates. However, even though owing to his absence I have to shorten my remarks, I cannot refrain from suggesting that, if his estimates have apparently taken more time than the others, it is probably because of his own attitude. He behaves in this house as if he had been in Quebec during the most glorious days of the Union Nationale. He sees nothing but beauty and greatness in his achievements and seems inclined to attack everything that was done in the past. Yet, he is quite aware of the fact that, under his administration, certain contracts for the building of post offices have been awarded, not to the lowest tenderer, but to the one most suitable to the member for the constituency in question, following which he set forth false motives to justify his position.

In the course of his remarks, the minister talked about the money spent and the savings he managed to pile up since he became Minister of Public Works. But he did not dare tell us about the federal building at Elliot Lake. When it was realized that the

building was too large for the city which had already fallen to about half of what it had been in the good days, well, it was decided to cut out one floor and in spite of that, Mr. Chairman, the total cost came up to $40,000 over the initial estimated cost for the whole building, including the two or three floors which were supposed to be built. Therefore, it is a little hard to accept the savings claimed by the minister.

However, what I particularly wish to discuss tonight is this. Out of some 15 projects provided for the national capital, in spite of the requests I made over and over again in this house, not a single one is located on the Quebec side of the national capital. One really wonders whether the minister has a bias against it. There are many reasons why those buildings should be erected on the Hull side.

Recently, the chamber of commerce, public bodies and the Hull city council submitted to the minister and the Prime Minister (Mr. Diefenbaker) an exceedingly well prepared brief on the subject. In that brief were spelled out the major reasons why some of those buildings should be erected in Hull, and that, not only for the benefit of the city of Hull, but also to the advantage of the federal parliament.

> Hull is therefore a part of the national capital area. A point to be noted is the fact that the whole city area is comprised within a three mile radius from parliament.

There is not a single part of the city of Hull outside that three mile radius.

And further on, in the same brief, we read the following:

> The Hull authorities have realized for their part that it was their duty to work in co-operation with the national capital commission to make of that territory one of the most attractive. They have spared no effort nor resources to achieve that purpose.
>
> That unity of action, that unity of development existing at the level of embellishment and town-planning, should we not find it also at the level of the development of the city? In other words, when the location of government services and federal buildings is being planned, should not the authorities of the capital take into account the particular position of Hull, its position in the national capital area, as well as its proximity to the centre of the federal administration?

And in the complete brief, from beginning to end, we find the best of reasons why the Quebec side of the national capital should be selected for the erection of some of those buildings.

We read again further on, in section 11:

> The duty of making of Ottawa and Hull the living picture of the harmony existing between both races, between the two great provinces of confederation, between two cities, one French speaking and the other with an English speaking majority—

—speaks in favour of erecting more buildings on the Hull side of the national capital.

> And further on, the report adds: "Two main cities, Ottawa, in Ontario, and Hull, in Quebec: mixed population, different legislation and education systems, two provincial entities it is important to respect as far as the system of administration, the customs, the language and ideals are concerned. Far from causing us difficulties in our work, such a complex of human premises only stimulated our interest.

Those remarks are found at page 157 of Mr. Greber's report.

Still in the same brief, we find:

> In an article written for the December 1961 issue of the *Canadian Geographical Journal*, Mr. Alan K. Hay, past chairman of the national capital commission, recognizes as an accepted fact that federal buildings be erected on both shores of the Ottawa.

This brief contains similar statements from front to back cover, and we see the same findings in Mr. Greber's reports and in the decisions of the national capital commission.

A little further on, the brief says:

> These important construction projects constitute a practical means to contribute to urban renewal and, indeed, to city improvement. It is in the interest of Ottawa that its next door neighbour be as beautiful as possible.
>
> The federal policy of decentralization of government services should show a certain balance, because the expansion on the Ottawa side will soon reach its saturation point. It would be advisable to consider now the Quebec side.
>
> On that side, large tracts of land are still available only a short distance away from the center of the federal administration. Essential city services could easily be obtained. (The city of Ottawa is complaining about the high cost of the services it has to provide to federal buildings, because of the long distances.)
>
> The federal government must promote a certain unity between the two main partners in the development of the national capital area, that is between Hull and Ottawa.

As you may notice, Mr. Chairman, all such reports are seriously prepared, well thought out and quite well presented.

In addition, it is stated that the buildings which would be erected on the Hull side would be only a mile away from the parliament buildings, from the heart of the national capital, whereas some are being erected at present at a distance of more than three or four miles as the crow flies from the centre of the capital.

This makes it abundantly clear that some of these buildings should be built on the Quebec side.

Following Mr. Greber's reports, Mr. Hay's observations and all the representations that were made in the past, why did not the minister find it appropriate to build some buildings in more suitable places, on the Quebec side for example, even if it had been only one or two buildings out of 15.

Mr. Chairman, I wonder, and so do many of my colleagues, if the minister is not prejudiced against Quebec.

Mr. Chairman, I have asked myself that question, especially after having noticed the minister's attitude during the famous investigation made by the public accounts committee about the printing bureau in Hull. The present Minister of Public Works, who was then the executioner of the government within that committee, first asked Major General Young to prove his qualifications as an engineer and then asked him the following question, as shown in the proceedings for Friday, August 8, 1958, of the standing committee on public accounts:

Q. Could you tell us why that location was chosen for the national printing bureau in Hull?

That was the first question asked, Mr. Chairman. Why did we build on that side, on the Hull side? In my opinion, that goes to show there was something in the minister's mind that most of the people from Quebec could not consider as too flattering and too commendable. That is why I am coming back to that subject again.

It was suggested that Hull was not an ideal location and that the construction of the printing bureau was a scandal.

In order to prove that those allegations are false, I ask hon. members to refer to items published in 1959 in the *Citizen* and *Le Droit*. Those are statements made by Mr. Raymond Blattenberger, whose position in the United States is similar to that of the Queen's printer in Canada.

The article read as follows:

I would hope that we would retain the services of the architect, said he. Nothwithstanding what was said last year during the investigation carried out by a parliamentary committee, the architect did a good job, according to Mr. Blattenberger. Indeed, he added, the functional organization of Canada's national printing bureau is much better than what we have in the States.

In my opinion, this testimony of an expert is just as good as some of those which were given at the time. Even though certain things and certain additional expenses which had to be made gave rise to some criticism, I am sure we would not have to do too much research to show that the present government has made expenses which were much more extravagant than those we are accused of having made at that time.

Mr. Chairman, I would have much more to say on the matter if the minister were in the house, but I do not want to take up too much of the time of the committee. However, I trust that this government, for the little time it will remain in power, will try to correct that situation by giving something to that Quebec district.

If it does not do so before the next election, I am convinced that the Liberal party, which will form the next government, will see to it itself.

[Mr. Caron.]

Mr. Paul: Do you think that if the Liberal party happened to take over, the building of the interprovincial bridge would proceed as quickly as it did under the St. Laurent administration?

Mr. Caron: Mr. Chairman, it is very easy for me to answer that question. I may say that, since 1953, the Ottawa government was ready to build the bridge in co-operation with the Ontario government. But Mr. Duplessis himself told me: "If Ottawa wants to have bridges, let them build them. As far as we are concerned, we shall not build any."

Only the election of the Lesage government in Quebec made it possible for an arrangement to be made between Ottawa, Quebec and Ontario for the building of that bridge. The Union Nationale did nothing for that project.

Mr. Pigeon: Mr. Chairman, may I be allowed another question? Would the hon. member for Hull inform the committee whether he shared the views of the previous minister of public works (Mr. Winters), who decided to build federal buildings ten miles away from parliament hill, although the city of Hull was right at the door?

Mr. Caron: Whether it was the fault of the Hon. Mr. Green, of the Hon. Mr. Winters or of the Hon. Mr. Walker, every time a government has gone beyond reasonable limits instead of coming into the Quebec side, I have taken strong exception to it.

Mr. Flynn: Mr. Chairman, I should like to deal briefly with a statement made by the hon. member for Hull, who accuses the Minister of Public Works (Mr. Walker) of being opposed to the construction of government buildings in the province of Quebec. He has only brought forward, as evidence, a question put by the Minister of Public Works during the inquest concerning the national printing bureau made by the committee on public accounts. It seems that the hon. member for Hull is basing his contention on a question put to Major General Young: "Why was this site chosen"?

We know that such a question on the selection of a proper site for the building of the printing bureau made sense, if we consider the springs which started to run afterward and which required very expensive additional work. It is absolutely unfair of the hon. member for Hull to have drawn from that question the conclusion that the Minister of Public Works was opposed to the building of the printing bureau in Hull. I do not object to the speech of the hon. member, but I would ask him to kindly not adduce such a weak argument, which in no way justifies him to draw such a conclusion.

Mr. Caron: Mr. Chairman, I did not want to read the whole evidence of the inquiry on the matter. If I had carried on my reading, you would have realized the way the question was put, because Major General Young replied as follows:

> Mr. Chairman, two factors seem to have come into play at the time. One was the decision of the then government to extend the jurisdiction of the federal district commission to the city of Hull and to the Hull area. The other factor was the necessity of building a national printing bureau.

Then the city of the Hull was mentioned. And if the question had not been put along those lines, I feel that Major General Young, who is an intelligent man, would have thought advisable to mention the words "the city of Hull" in his answer.

Mr. Flynn: It is not the answer that provides a meaning to the question. In a question of location, the hon. member for Hull will certainly want to be fair and agree that there is no question of any province or city. I draw his attention to that fact, because I know that he wants to be fair in this regard and that he should not draw such a conclusion concerning the Minister of Public Works.

Mr. Leduc: I heard the remarks of the Minister of Mines and Technical Surveys (Mr. Flynn). I cannot see that he is consistent. If his government really wants government buildings to be constructed in Hull, let it show its good faith and build some.

Mr. Flynn: I have no objection, Mr. Chairman. I only wish to say that as far as my department is concerned, plans are now under consideration for the construction of some buildings on the Quebec side. The hon. member for Gatineau will recognize that the only point I wanted to make was that you could not draw such a conclusion. I do not intend to discuss this indefinitely. I only want hon. members to be fair to the Minister of Public Works.

Mr. Leduc: I want to be fair to the minister, but I do point out that since the Conservative government took over, not one building has been erected on the Quebec side.

(Text):

Item agreed to.

658. Maintenance and operation of public buildings and grounds—further amount required, $1,000,000.

The Deputy Chairman: Shall vote 658 carry?

Mr. Pickersgill: No. This is $1 million. We can all remember that great estimator, the Minister of Public Works, the man who spent so much time telling us how incompetent was the department over which he now presides. It seems to me that another whole million dollars just for maintenance and operation of public grounds and buildings needs some tall explaining, and I hope the minister can give it.

Mr. Churchill: I hope the hon. member for Bonavista-Twillingate will exercise a little restraint tonight.

An hon. Member: How unusual that would be.

Mr. Churchill: He can be very co-operative sometimes. I am sure my explanation will satisfy him completely. This is not a misjudgment in estimating at all. It is an acceleration of work during the course of the winter months in order to provide employment, something with which everybody would agree.

Mr. Pickersgill: An acceleration in maintenance?

Mr. Churchill: Yes, alterations, painting and decorating, repairs to plumbing, lighting and heating facilities. These are things being dealt with under this vote which can be done during the winter months. It was intended originally to do them during the next fiscal year but under the circumstances it seemed wise to do them now, and I am sure everybody is in agreement with that policy.

Mr. Pickersgill: That is a summary explanation. One million dollars is still a large sum of money for maintenance and I would imagine even this government could do quite a lot of painting for $1 million. Certainly if this were being spent on some new structures that would be a different story. Does a large part of it represent the playing around with the west block, or is that a separate vote altogether?

Mr. Churchill: It is separate. The restoration of that great historic building, the west block, comes under a separate vote and I am sure the hon. member for Bonavista-Twillingate who has a sense of history, would not want to leave it on the record that this is playing around with the west block, as if it were some careless treatment of it. He knows as an historian—and this is one thing I like about him although I cannot think of any-

thing more at the moment—how important it is to preserve that historic building.

Under this particular vote repairs and alterations are carried out to an enormous number of government owned buildings, and they are not only the matters I mentioned such as painting, decorating and so on. There are also alterations. I feel that the hon. member does not seriously want a detailed explanation of this. There are numerous items for the repair and items for the upkeep of buildings in the total vote, and the main estimates ordinarily run into $6 million.

Mr. Pickersgill: What the minister is saying is that it is only a million.

Mr. Churchill: Oh no; that is a Liberal expression.

Mr. Pickersgill: The minister is pretty liberal with the million dollars, but I cannot let the minister's remarks about the west block go unchallenged.

Mr. Churchill: I thought you would agree with me.

Mr. Pickersgill: What the government is doing with the west block is a terrible mistake and an uncalled for extravagance. What should have been done was what was originally suggested, take the building down, mark the stones, the outer stones, build a proper inner structure—all of which could have been done for less than a quarter of what this is going to cost before they are finished with it—and then put up the external stones so that it would resemble the building now there. I predict that this is going to turn out to be one of the worst errors of judgment in the field of construction or reconstruction, ever made by any Canadian government.

Mr. Bell (Carleton): What was done with the old supreme court building?

Mr. Pickersgill: The proper thing was done with the old supreme court building. It was an old stable and should have been torn down, and the proper thing was done.

Mr. Bell (Carleton): It was not done.

An hon. Member: Due regard for our historic sites.

Mr. Pickersgill: Yes, "le palais de danse". We know the kind of historic sites you mean.

Mr. Fulton: Vandalism—a parking lot out of the old supreme court building.

Mr. Pickersgill: When the minister gets back from Arizona Charlie's—

[Mr. Churchill.]

Mr. Fulton: That is where you have been all afternoon.

Mr. Pickersgill: —I would like to make some observations about the west block. There has been a mistaken story in the newspapers about the office of Sir John Macdonald in the west block, but the fact of the matter is that Sir John Macdonald never had an office in the west block at any time at all.

Mr. Fulton: Was it the crystal ball that told you that?

Mr. Pickersgill: The Minister of Veterans Affairs and I will agree on that. This was checked very carefully several years ago when this myth first started. I think it may have been Alexander Mackenzie, the first Liberal prime minister who was also minister of public works, who had an office there but Sir John A. Macdonald never had an office in the west block. This is perhaps not very important but the minister challenged me and I am responding.

Mr. Bourget: This item also includes materials. Could the minister let us know how much is for the purchase of materials?

Mr. Churchill: I am not sure I could give that information to the hon. member tonight. I shall refer the question to the Minister of Public Works and perhaps he could get in touch with the hon. member. The information I have in front of me is not broken down into materials, etc.

Mr. Bourget: I think the materials represent quite an important amount. A few minutes ago the minister stressed that these projects were undertaken to provide winter works, and I would like to know how much of the money is for the purchase of materials and how much has been granted for projects. Maybe the minister has no information about the quantity of material that has been bought, but could he tell us the number of projects, or the number of individual projects costing over $2,500, and where they have been undertaken?

Mr. Churchill: I shall give you an example. In Newfoundland there are six projects in federal buildings and post offices, running from $1,750 in one instance up to $4,200 in another. That is the type of work that is being done.

Mr. Bourget: What work was done there? Was it repairs to the plumbing?

Mr. Churchill: No; it was interior painting at Carbonear, Newfoundland; interior painting at St. Anthony, Newfoundland; improved lighting at Bishop's Falls; a lock-box lobby and terrazzo work at Stephenville; toilet facilities at Walkerville; interior painting at St. Lawrence. That is the type of work that is being done during the winter season.

In Nova Scotia, interior painting at the Ralston building at Halifax, $8,000; interior painting at the federal building at Yarmouth, $8,000, and changes to accommodation on the eighth floor of the Ralston building in Halifax, $1,600. I can go on. Does the hon. member wish further items?

Mr. Bourget: No, I was just asking the minister about the projects over $25,000.

Mr. Churchill: The only one that I can find is exactly $25,000. That is at Blackpool, in the province of Quebec, and it is for masonry repairs.

Mr. Pickersgill: Is that a dance hall?

Mr. Herridge: Mr. Chairman, as a socialist and a member of a party that appreciates Canadian history and tradition and does not support the materialist conception of life, believing that men live by other than bread alone, we support the preservation of the west block and the Gothic beauty and symmetry on parliament hill.

Mr. Pickersgill: So do I, but I like to see it being done economically.

Mr. Robichaud: Mr. Chairman, could the minister tell us whether those projects are being done by daily work or by tender; and if by tender, how are the tenders being called?

Mr. Churchill: By contract; by public tender.

Mr. Peters: Mr. Chairman, I would like some information from the minister on this matter of the office of Sir John A. Macdonald. This matter has been referred to by the hon. member for Bonavista-Twillingate, who said this was not at any time Sir John A. Macdonald's office. I believe it would not be to our advantage to maintain as a symbol something that was not true. Have any records been looked into in connection with this matter? Has the government ascertained whether this was in fact Sir John A. Macdonald's office; and if it was not, what was the reason for doing this?

Mr. Churchill: Mr. Chairman, I will refer the hon. member's question to the Minister of Public Works, who has perhaps delved into this topic. If he has not the answer, we know where to find it.

Mr. Pickersgill: Tell him to be sure to get the right Tilley.

Mr. Peters: I am not really happy about what the hon. member for Bonavista-Twillingate has said in regard to this matter. If what he said is right, I do not think we should necessarily go to his files to ascertain the true circumstances; I am sure there are records kept that would prove whether or not this is right. We are quite happy to accept the minister's word that he will look into this matter and report.

Mr. Robichaud: Mr. Chairman, in reply to my question of a few minutes ago the minister said all those projects were being done by tender. Are we to understand that notwithstanding the amount of the project, whether it was $1,600, $8,000 or $25,000, public tenders were called for every one?

Mr. Churchill: Yes, I am informed that tenders were called for the accelerated work which is outlined here.

Mr. Bourget: For all the projects, even those of $1,000 or $2,000?

Mr. Churchill: Yes, I am told that tenders were invited on all these projects, even the small ones.

Mr. Bourget: I am asking whether public tenders were asked for on all those projects.

Mr. Churchill: I am informed that tenders were invited from known contractors in the area for these very small amounts—

Mr. Bourget: Up to what amounts?

Mr. Churchill: —and with regard to the very large amounts, of course, public tenders are called by advertisement.

Item agreed to.

Development engineering services—

659. Roads and bridges—maintenance and operation—further amount required, $150,000.

Mr. Bourget: In connection with vote 659, Mr. Chairman, could the minister tell us what bridges were repaired under that item, or what roads were constructed.

Mr. Churchill: The Chaudiere bridge is the one that is referred to.

Mr. Bell (Carleton): Of great advantage to Ottawa.

Mr. Bourget: Is the whole item of $150,000 for Chaudiere bridge repairs?

Mr. Churchill: That is right.

Mr. Badanai: Mr. Chairman, the municipal council of the city of Fort William have from time to time endeavoured to obtain consideration from the federal government on some of their more important requirements, among which are two bridges. A few months ago I received a resolution passed by the council of the corporation of the city of Fort William which reads as follows:

> That we petition the federal government through the Lakehead harbour commission to begin construction of a bridge across the Kaministikwia river as an extension of Eighth avenue to the City road to provide access to highway 61.
>
> The construction of a bridge is essential to provide an alternate approach to the islands—

Mr. Churchill: Mr. Chairman, I hesitate to interrupt the hon. gentleman but the federal responsibility applies to international bridges or interprovincial bridges, and I think the hon. member is referring to bridges which are not in those two categories.

Mr. Badanai: Mr. Chairman, I would point out that the bridge in question has to do with road access to the new seaway terminal which is located between the two islands. The islands in the city of Fort William provide part of the port facilities under the jurisdiction of the lakehead harbour commission. The lack of adequate bridges over the Kaministikwia and the Mission rivers is one of the major and most serious obstacles which is retarding the development of our city's growth and its industrial potential.

The lakehead planning board wrote to me last year in connection with this matter. I should like to quote from that letter:

> The traffic report from the lakehead, 1960, indicated the need for the all year round permanent bridge across the Kaministikwia river in the third stage of the road proposal. Subsequent to the report, the technical co-ordinating committee met with the consultants and agreed that
>
> (a) because of the crisis potential of the existing bridge at James street in that it can be taken out of action at any time by a navigational accident:
>
> (b) and in view of the agreement by the city of Fort William and the municipality of Neebing to provide fire protection services in the South Neebing area, which protection would be meaningless in a traffic situation development at James street bridge;
>
> (c) and in view of the emergency measures proposals and civil defence requirement which is certainly not in the happiest situation due to (a) above;
>
> (d) and in view of the increase in tourist and general traffic coming along the international highway 61, meeting in a traffic bottleneck at the James street bridge, the planning board asks that the proposed bridge over the Kaministikwia river receive immediate consideration.

I have indicated on previous occasions the need for a bridge over the Mission river. We do expect some assistance from the federal government in this connection because this bridge has to do with communication between the two islands over navigable waters, which are under federal jurisdiction.

The Premium Ore Company, which is headed by Cyrus Eaton, the chairman of the board of Steep Rock Iron Mines, has an option on an extensive piece of land on Mission island for such a project. But apart from the great development which can be expected to follow the provision of these new bridges, I ask the minister to consider the situation which would arise if anything were to happen to either of the single bridges that are serving at the present time. These bridges were built some 65 years ago and were never meant to carry present day traffic, to say nothing of the heavy oil motor tankers and continental transport trucks now being used on this route.

Following successful representations made to Sir Alex. Gibb and Associates, consultants to the ocean terminal dock project, to have the Fort William temporary access road into the terminal site—as distinct from the Port Arthur temporary access—changed to a point to cross the Neebing river at the extension of 10th avenue, it now appears necessary to look more closely at this intended access road and put it on a more permanent footing. The reason 10th avenue was advocated for this temporary access way was because 10th avenue had previously been selected as the final approximate location of the proposed lakeshore highway, at least in this section of the city of Fort William. The shadow plan for the lakehead calls for the eventual construction of a main highway crossing the two islands and linking up with the mainland road system.

Apart from the fact that those portions of this proposed highway in the city of Fort William territorial limits, when built will undoubtedly accelerate the opening of the islands to full industrial development, the proximity of the proposed ocean terminal site to this highway, as extended into Port Arthur, is another reason why we should not delay in furthering this highway proposal with all due dispatch.

The chief stumbling block to the implementation of this proposal would appear to be the need for the two new bridges to complete this project which, when built, would complete this highway within Fort William's corporate limits. The bridges should preferably be of the high level type to ensure maximum efficiency. The efficiency of bascule or swing bridges would always be at the mercy of every ship that entered that part of Fort William's harbour encompassed by the Kam, the McKellar and the Mission rivers.

Current road access into any part of the 30 odd miles of lakeshore harbour development, both existing and potential, is in an

extremely unfavourable state of development, and is not as befits a modern and growing port of the importance of the Canadian lakehead.

For these reasons I beg the minister to give consideration to this matter of assistance toward bridge construction in order that we may have free access to the new lakehead harbour which is nearing completion at the moment. Unless there are adequate bridges the dock facilities will be severely impeded. This has been brought out by the consultant engineers who are on the job supervising the seaway terminal at the lakehead. The minister may not have the answer right now, but within the next few days, or as soon as possible, he may be able to give us the answer to this problem. I have had the opportunity of bringing this matter before the Minister of Public Works but unfortunately I have been unable to arouse any degree of enthusiasm for this particular project. However, I believe it is absolutely necessary and I trust the government will show a change of heart with regard to this project.

Item agreed to.

General—

660. Miscellaneous works not otherwise provided for including expenditures on works on other than federal property: a maximum of $15,000 may be expended in respect of any one work and, with the approval of treasury board, that maximum may be increased to $25,000—further amount required, $190,000

Mr. Bourget: I understand this item has to do with small post offices. If so, will the minister give us a list of the small post offices which have been built?

Mr. Churchill: This does refer to small post offices. If the hon. member will turn to *Hansard* of February 9 of this year he will find that a list of post offices per province is given.

Mr. Bourget: The item under consideration amounts to $190,000. I suppose that means about eight or nine post offices. The list would not be too long to put on the record.

Mr. Churchill: There are ten post offices involved in this. They are: Abbotsford, Quebec; Valcourt, Quebec; Gogama, Ontario; Fort Erie, Ontario; Longlac, Ontario; Winnipeg Beach, Manitoba; Borden, Saskatchewan; Churchbridge, Saskatchewan; Hodgeville, Saskatchewan; Elk Point, Alberta.

Mr. Bourget: Can the minister tell the committee the average size of these post offices in square feet?

Mr. Churchill: Yes. Eight hundred square feet net useable space.

Mr. Pickersgill: I wish to draw the attention of the committee to the fact that for some reason or other the government did not think it important to build any of the post offices listed, when the original list was published in *Hansard*, in two of the provinces. I draw attention to the fact that notwithstanding the strong representations which have been made, none of those post offices was being built in either Newfoundland or Prince Edward Island—that is, if the list to which the minister referred is the one about which I asked the Minister of Public Works at the time.

Mr. Churchill: I will draw the attention of the Minister of Public Works to those remarks. It is not a matter of deliberate policy to exclude two provinces of the importance of Prince Edward Island and Newfoundland, but post offices are built according to the number of people who are being served and the revenue which will result from them. However, this is an important point and one which deserves attention.

Mr. Pickersgill: Would the minister be good enough to join his recommendation to my own that post offices be built at Hare Bay in Bonavista bay? I have been trying for four years to get the department to do something about that important and growing settlement. Action is doubly necessary now because that place is a settlement which suffered most from the fire, and a little extra work this spring would be extremely helpful to that community.

Mr. Churchill: I am pleased to support any program which is for the benefit of the people generally, and the hon. member seems to have made out a very good case.

Item agreed to.

The Chairman: Vote No. 660 terminated the supplementary estimates of the Department of Public Works falling in this group. We will now proceed to a consideration of vote No. 661 which is concerned with the Royal Canadian Mounted Police, pensions and other benefits.

Mr. Pickersgill: Before the Acting Minister of Public Works leaves I think we should draw attention to the fact that when a minister shows some courtesy to the committee he gets his estimates through much more readily.

ROYAL CANADIAN MOUNTED POLICE

Pensions and other benefits—

661. To deem the election made by the late Benjamin Vinton Beddow on the 9th day of March, 1961, to be valid for all purposes of the Royal Canadian Mounted Police Superannuation Act, notwithstanding that he was not medically examined as required by paragraph (b) of subsection (2) of section 7 of the said act, and to authorize the

payment of benefits to his widow as if he had taken and passed the medical examination so required, $1.

Mr. Pickersgill: I think we should have some explanation of this vote.

Mr. Fulton: Mr. Chairman, the explanation of this vote is rather complicated. We have endeavoured in the explanatory note on page 7 of the supplementary estimates to reduce it to as short a compass as possible. What we are asking for is the authority of a dollar item, which I myself am very reluctant indeed to use but I think it is a proper case, to give authority to pay a pension to a widow who by virtue of a long and complicated series of administrative misfortunes and misunderstandings, coinciding as the events did with a change from the Royal Canadian Mounted Police Superannuation Act to the Royal Canadian Mounted Police Superannuation Continuation Act, would otherwise be deprived of her right to a pension.

Item agreed to.

The Chairman: The next item is vote No. 662, Department of Trade and Commerce.

DEPARTMENT OF TRADE AND COMMERCE

Eldorado Mining and Refining Limited—

662. Payments in the 1961-62 and 1962-63 fiscal years under the contract that was entered into on the 24th day of November, 1961 between Eldorado Mining and Refining Limited on behalf of Her Majesty and Macassa Gold Mines Limited for the purchase by Her Majesty of uranium concentrates, $2,400,000.

Mr. Pickersgill: Mr. Chairman, could we have with us the Minister of Trade and Commerce whose genial personality always contributes something to the committee, or is he, like the Minister of Public Works, off politicking somewhere?

Mr. Balcer: He never does that.

Mr. Churchill: I might just explain as Acting Minister of Trade and Commerce in the unavoidable absence of the Minister of Trade and Commerce that the parliamentary secretary has all the information here which the committee could desire and I myself will be present in the event there are some items which require further exploration.

Mr. Pickersgill: The first question I should like to put to the learned parliamentary secretary, and I hope he will be able to answer it more effectively than his principal has ever been able to, is when the British contract is going to be completed?

Mr. Morris: Mr. Chairman, perhaps I could introduce this item in a meaningful way by giving a very brief statement which will include an indication of the answer to the hon. gentleman's question.

[Mr. Pickersgill.]

The contract between Her Majesty, as represented by Eldorado Mining and Refining Limited, and Macassa Gold Mines limited for the purchase of uranium concentrates was entered into as a stopgap arrangement to enable Macassa to continue production of uranium for a period of six months after it had produced all the concentrates for delivery under its original contract. In this way, the closing of the mine, with its consequent effect on employment in the area, was prevented and the mine will be able to continue production until late in April, by which time it is expected that negotiations will have been completed with the United Kingdom for the purchase of 12,000 tons of uranium. When these negotiations are completed, the quantity of 342,000 pounds covered by the stopgap contract will form a part of Macassa's allocation under the United Kingdom contract.

The price to be paid Macassa for the 342,000 pounds is Macassa's actual cost of production, without profit, as established by the cost inspection services of the office of the comptroller of the treasury, unless it becomes a part of Macassa's allocation under the United Kingdom contract, in which case it will take the price applicable to Macassa's allocation.

Mr. Pickersgill: I thank the parliamentary secretary for that very lucid explanation, but I did not catch the date by which he anticipated the negotiations with the British would be completed. I think in giving that date he has gone a lot further than the minister ever has and I am sure we would like to have it right. Perhaps he would repeat the date.

Mr. Morris: Yes, Mr. Chairman. The item in the supplementary estimates covers a period until late April by which time, as I said earlier, it is expected that the negotiations with the United Kingdom will have been completed for the purchase of 12,000 tons of uranium.

Mr. Peters: I know that the people connected with the Bicroft Uranium Mines Limited will be pleased to know there is a possibility that the United Kingdom contract will be completed in time to furnish a carry-on from the temporary arrangements that have been made. In my view the stockpiling arrangement made in this case was advantageous not only because it saved the government considerable expense but it provided a continuity.

Why is the agreement between Macassa and Eldorado rather than the principal mine, Bicroft. It is true that Macassa owns considerable shares and is a registered company in its own right. Why is the agreement with

Macassa, which is a profitable gold producing mine but certainly is not involved in the uranium industry?

Mr. Morris: The interest of Macassa Gold Mines in the Bicroft mine at Bancroft represents the interest which the government wishes to have recognized by means of the supplementary estimate. Macassa, to the best of my knowledge, has inherited the Bicroft mine so far as this uranium matter is concerned.

Mr. Peters: That is surprising. I am curious how these things are arrived at. Bicroft has authorized capital of 4 million shares of which 3,057,475 are issued against the original capitalization. Of that amount Macassa owns only 440,000 shares and Renabie, a Macassa subsidiary, holds 360,000 shares. According to the record of issued shares it does not even have control of the company. I am still curious as to why Macassa has the contract.

Let me approach it from this angle. Is there any reason why Bicroft was not given the contract? Has it something to do with the fact that other producers in the area such as Faraday could not have been given the same kind of consideration?

Mr. Morris: The reason Faraday is not considered in this supplementary estimate is that Faraday's contract will not expire prior to the time we expect the United Kingdom negotiations to have been successfully completed.

Mr. Bourget: Can the parliamentary secretary tell us what is the price of concentrate per pound? Is the price mentioned in the contract?

Mr. Morris: The item in the supplementaries, $2,400,000, is intended to cover 342,000 pounds.

Mr. Bourget: About $8 a pound?

Mr. Morris: Yes.

Item agreed to.

The Chairman: Department of Transport, vote No. 663.

DEPARTMENT OF TRANSPORT

Railway and steamship services—

663. Construction or acquisition of auto-ferry vessels and equipment as listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended upon individual listed projects—further amount required, $71,885.

Mr. Pickersgill: I am sure the minister would like to tell us what this is all about. We always like to hear from the minister.

Mr. Balcer: Mr. Chairman, this vote deals with the Pelee island ferry. The vote is in the amount of $46,860 for general alterations and additions to the ferry vessel *Pelee Islander* operating between Pelee island and the mainland in Ontario; and the remainder, $25,025 for modifications to the ferry vessel *Lord Selkirk* operating between Wood Island, Prince Edward Island, and Caribou, Nova Scotia. The remainder, namely $25,025, is for modifications to the ferry vessel *Lord Selkirk* operating between Wood Island, P.E.I. and Caribou, Nova Scotia.

Mr. Bourget: Can the minister tell us whether those contracts were allocated or whether they were given to the companies after tenders had been obtained in both cases?

Mr. Balcer: As far as the *Lord Selkirk* is concerned, the alterations and modifications were done at Pictou, Nova Scotia. Unfortunately, I have not here the information to tell me whether it is an allocation or whether it was done by tender. However, my recollection is that both jobs were allocated.

Mr. Pickersgill: I wonder whether I could ask the minister this question; I appreciate the fact that it is perhaps not strictly relevant to the repairs to the *Lord Selkirk*. However, is the department giving any consideration to putting a new ferry on the Wood Island-Caribou service? As the minister very well knows, the service is quite inadequate, having regard to the demand for it at the present time. There is a great deal of agitation to have improvement in that service.

Mr. Balcer: Yes, Mr. Chairman. A second ship for this service has been approved in principle by treasury board.

Mr. Pickersgill: Does the minister think the contract is likely to be let quite soon so that it might perhaps be ready for the season of 1963?

Mr. Balcer: Yes.

Item agreed to.

Air transport board—

664. Subventions for air carriers as detailed in the estimates, $300,000.

Mr. Pickersgill: I think perhaps the minister would wish to give some explanation of this item.

Mr. Balcer: This $300,000 is a subsidy. It represents monthly subsidies of $25,000 being paid at the present time to Pacific Western Airlines covering operating losses on the prairie route on which are Edmonton, North Battleford, Prince Albert, Saskatoon and Regina. The committee might recall that this service was carried on for a long time by

Canadian Pacific Airlines and then was turned over to Pacific Western Airlines. One of the main sources of revenue was a mail contract. Unfortunately, this mail contract was terminated. I do not remember the exact date of its termination, but it was some time in 1960. As this route was not a money producing route with the loss of this mail contract, the company was faced with a rather large deficit. The company was obliged to withdraw from the service or to suspend the service. However, as in this area the service was considered to be essential and as no other air line was ready to carry on that service, the air transport board decided to give this subsidy of $25,000 a month. This subsidy is going to be paid until the air transport board makes its report on the prairie milk run route. This report should be made within a couple of months. As you know, Mr. Chairman, the air transport board has made a complete survey of all the regional carrier operations all across Canada starting with the eastern provinces. The last hearings were held a few weeks ago in the prairie provinces. Until this report on the prairie run is received, it is the intention to carry on paying the $25,000 a month to Pacific Western Airlines.

Mr. Pickersgill: I suppose it would be considered a vicious attack to suggest that there was any connection whatsoever between the subsidy and the fact that this air line serves Prince Albert. I therefore would not think of drawing attention to that fact. But speaking seriously may I say this. As Your Honour is well aware, the question of the milk run in western Canada to which the minister refers and with which, as he pointed out, this matter is directly connected, is one on which I know my friend the hon. member for Laurier has a few observations he wishes to make. However, unfortunately because of an indisposition—

Mr. Churchill: Is he politicking?

Mr. Pickersgill: No, he is not politicking. I wish he were but in fact he is not. Owing to an indisposition he was unable to be here today, but I hope he will be here tomorrow. I know he has one or two observations he wanted to make on this matter. As it appears to be ten o'clock, Mr. Chairman, perhaps we could pause at this point.

Item stands.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Perhaps the house leader could tell us whether we shall be going on with these estimates tomorrow. I can hardly forbear to remark that but for the intervention of his friends we might have finished them today.

Mr. Pallett: The hon. member just admitted he is waiting for the hon. member for Laurier.

Mr. Churchill: I must thank the house for the amount of business it accomplished today; it was very encouraging indeed. It might have been done much earlier had there been more co-operation on the opposite side. There are six items left in the present supplementary estimates which we will conclude, I hope, tomorrow, followed by the necessary appropriation act. Then we will carry on with the final supplementary estimates which have been distributed.

Mr. Pickersgill: Has the minister any suggestions about next week?

Mr. Churchill: Just that we get more business done in the house than we did this week.

It being two minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

Supply—Items Passed

[The following items were passed in committee of supply]:

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

National parks branch—

National parks and historic sites and monuments—

648. Construction or acquisition of buildings, works, land and equipment—further amount required. $2,500,000.

Water resources branch—

649. Construction or acquisition of buildings, works, land and equipment—further amount required, $40,000.

Northern administration branch—

Welfare and industrial divisions—

650. Construction or acquisition of buildings, works, land and equipment—further amount required, $270,000.

Yukon territory—

651. Operation and maintenance—to extend the purposes of vote 302 of the main estimates for 1961-62 to include the grants detailed in these estimates, $22,000.

Northern administration branch—

671. Loans to the government of the Yukon territory in accordance with terms and conditions prescribed by the governor in council, $500,000.

672. Loans to the government of the Yukon territory (hereinafter called the "territory") in the current and subsequent fiscal years, in accordance with such terms and conditions as the governor in council may approve, to enable that government to make mortgage loans to residents of the territory for the purchase or construction of low cost houses in the territory; and to authorize the commissioner in council of the territory, notwithstanding anything in the Yukon Act, to make ordinances in respect of the repayment by the government of the territory of loans made to it pursuant to this vote and in respect of the lending of money to residents of the territory for the purchase or construction of houses in the territory and the taking of security therefor by way of mortgage, $240,000.

673. Loans to the government of the Northwest Territories in accordance with terms and conditions prescribed by the governor in council, $150,000.

674. Loans to the government of the Northwest Territories (hereinafter called the "territories") in the current and subsequent fiscal years, in accordance with such terms and conditions as the governor in council may approve, to enable that government to make mortgage loans to residents of the territories for the purchase or construction of low cost houses in the territories; and to authorize the commissioner in council of the territories, notwithstanding anything in the Northwest Territories Act, to make ordinances in respect of the repayment by the government of the territories of loans made to it pursuant to this vote and in respect of the lending of money to residents of the territories for the purchase or construction of houses in the territories and the taking of security therefor by way of mortgage, $240,000.

DEPARTMENT OF PUBLIC WORKS

Public buildings construction and services—

Construction, acquisition, major repairs and improvements of, and plans and sites for, public buildings listed in the details of the estimates, including expenditures on works on other than federal property, provided that treasury board may increase or decrease the amount within the vote to be expended on individual listed projects—further amounts required—

655. Nova Scotia, $1.

656. New Brunswick, $375,000.

657. Improvements generally and miscellaneous buildings—not more than $25,000 to be expended on any one project without the approval of treasury board, $125,000.

658. Maintenance and operation of public buildings and grounds—further amount required, $1,000,000.

Development engineering services—

659. Roads and bridges—maintenance and operation—further amount required, $150,000.

General—

660. Miscellaneous works not otherwise provided for including expenditures on works on other than federal property; a maximum of $15,000 may be expended in respect of any one work and, with the approval of treasury board, that maximum may be increased to $25,000—further amount required, $190,000.

ROYAL CANADIAN MOUNTED POLICE

Pensions and other benefits—

661. To deem the election made by the late Benjamin Vinton Beddow on the 9th day of March, 1961, to be valid for all purposes of the Royal Canadian Mounted Police Superannuation Act, notwithstanding that he was not medically examined as required by paragraph (b) of subsection (2) of section 7 of the said act, and to authorize the payment of benefits to his widow as if he had taken and passed the medical examination so required, $1.

DEPARTMENT OF TRADE AND COMMERCE

B—General—

Eldorado Mining and Refining Limited—

662. Payments in the 1961-62 and 1962-63 fiscal years under the contract that was entered into on the 24th day of November, 1961 between Eldorado Mining and Refining Limited on behalf of Her Majesty and Macassa Gold Mines Limited for the purchase by Her Majesty of uranium concentrates, $2,400,000.

DEPARTMENT OF TRANSPORT

A—Department—

Railway and steamship services—

663. Construction or acquisition of auto-ferry vessels and equipment as listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended upon individual listed projects—further amount required, $71,885.

APPENDIX

SPEECH BY HON. HOWARD C. GREEN TO DISARMAMENT CONFERENCE

I begin my statement today on behalf of Canada by thanking the acting secretary general of the United Nations for the excellent facilities which have been made available. The presence of his representative at this table is of great significance. It emphasizes that all members of the United Nations are vitally concerned with the problem of disarmament. In my opinion, we should never lose sight of this fact in the course of our negotiations. It is obvious that the main purpose of the United Nations is to keep the peace. Of course, under present conditions, that means that disarmament becomes the most important problem of the United Nations, and that forum will always have the main responsibility for bringing about disarmament. There are several reasons why this conference has an unprecedented opportunity to make rapid progress toward agreement.

First, there is now an agreement on the basic principles of disarmament unanimously endorsed by the United Nations general assembly. For the first time there is a common understanding about the objective to be reached, and the guide lines which should be followed in working toward it. As a result, we are in a position to move quickly from a general exchange of views to a detailed consideration of measures which will actually stop the competition in armaments and bring about substantial reductions from the present levels. In my personal opinion the problem of stopping the development of more deadly weapons is perhaps more important than that of bringing about measures of disarmament, although of course both problems are of vital importance.

Second, the new negotiating committee is representative of all major geographical areas of the world. This reflects the fact that disarmament is not the concern only of the great powers, but of all countries, however large or however small. The presence at this table of the representatives of eight additional countries is, in my opinion, a major advantage. They will, I am sure, play a valuable role in avoiding the stalemates which have so often developed in past disarmament conferences. Also, the fresh perspective which they bring to the negotiations will assist materially in the search for early agreement. And may I suggest, Mr. Chairman, that the presence of these eight other nations has already been of deep significance as well as of great help to the opening phases of this conference.

Third, we had just ten days ago the unanimous finding of the United Nations committee on the economic and social consequences of disarmament that general disarmament, far from producing adverse economic effects, would be an immense contribution to the advancement of human well-being. There can surely be no doubt that the reallocation of even part of the enormous resources now devoted to expenditure on armaments would open up unlimited possibilities for the improvement of living standards in all the nations, whatever their social system or whatever their stage of development.

Fourth, past experience has made us fully aware of the grave consequences which will follow if we permit these negotiations to fail or even to lose momentum. It is now almost two years since the work of the ten nation committee was broken off. This period has been marked by renewed international tension and a nuclear arms race of increased intensity, of which the resumption of nuclear testing is the most serious aspect. An even more serious deterioration in the international situation will result if our efforts here cannot bring about rapid agreement.

Finally, the increasingly devastating power of modern weapons has placed a new responsibility on the representatives who are gathered here. The very fact that all of us around this table fully recognize the immeasurable catastrophe which would result from a conflict involving such weapons in itself provides new motives for meeting the challenge which faces us. In my opinion we cannot allow another failure to establish an effective system of disarmament. If we do not succeed on this occasion, the world may not be given another chance.

As far as my delegation is concerned, we have come to Geneva with the firm intention to continue working without interruption until a comprehensive system of general disarmament has been agreed. At the same time we hope and expect to see initial agreements reached with the least possible delay. This committee is obliged to report to the United Nations disarmament commission by June 1, and the peoples of the world will expect a substantial measure of progress by then. The time factor is of vital significance in our work, and we should at once start to search for common ground. This is a case where, as we say in Canada, time is of the essence.

The agreed statement of principles forms the basis for discussion and negotiation at this conference. It follows that all measures of disarmament must be carefully phased and in balance with one another; and that reductions of national armaments must be accompanied by improved international arrangements for maintaining peace and security.

Two principal documents are available to the committee. There is the program of disarmament put forward by the United States on September 25, 1961. Canada participated in the drafting of this plan, and fully supports it. The United States representative has emphasized that these proposals have been put forward in a spirit of flexibility and compromise. That is a point to which Canada attaches great importance. In other words, these proposals are not put forward on a take it or leave it basis. There is also the draft treaty advanced by the representative of the Soviet union, based on the Soviet plan of September 23, 1960.

These two documents are the result of a long period of study. This is not to say, however, that either of them represents the only solution to this disarmament problem. The eight new members of the committee will undoubtedly make suggestions of their own. Their views should provide a further valuable contribution to the solution of the problems before us, and they will receive very careful study by my delegation.

In considering the two plans which are now before us we should first seek out common elements on which there is a chance of early agreement. The United States proposals are presented in the form of a "program", and the Soviet proposals in the language of a "draft treaty", but this is largely a difference of presentation. The substantive provisions contained in the two documents parallel one another in several respects, and I suggest that we should take full advantage of this fact in trying to define and enlarge the area of agreement between the two sides.

Starting from the joint statement of principles we should search out specific problems on which the two sides are close to agreement, and try to settle these as quickly as possible. Having achieved this, we should then go on to study problems on which the two sides are further apart—first to clarify differences, and then to resolve them. In this way, my delegation believes, we can systematically move toward a comprehensive system of disarmament and complete the fulfilment of the tasks which have been given us.

I have suggested that we should begin our work with an examination of areas in which rapid agreement might be achieved. There are several examples which could be cited. The following list will help to illustrate the approach which my delegation has in mind.

The first example: The United States and Soviet proposals both provide for means of ensuring that rockets and satellites placed in orbit or launched into outer space will be used for peaceful purposes only. Provision is also made for advance notification of an international disarmament organization about all such launchings. Both sides have an overriding interest in reaching an understanding which will ensure that scientific advances in this field serve only the cause of peace. There is therefore, Mr. Chairman, every reason why agreement should be reached in short order. And may I point out that just this morning we read in the newspapers a report of a United States offer to the Soviet union of a joint space plan. All of this indicates that it should be fairly easy to reach agreement on this particular subject.

The second example: The United States proposals contain suggestions for observation posts and other procedures designed to reduce the risk of surprise attack or accidental war. Specific proposals to this effect do not appear in the new Soviet draft treaty, but similar ideas were advanced in the Soviet plan of September 23, 1960 and again in the memorandum submitted by the Soviet union to the United Nations on September 26 of last year, 1961. The fear that war could break out through accident or miscalculation is a continuing source of international tension which increases as more and more dangerous weapons are developed. Both sides have a vital interest in removing these fears as soon as possible. Both sides have proposed measures which would provide means of doing so. Further negotiation, and a willingness to compromise, could produce agreement in this field.

The third example: The United States plan calls for technical studies of means to deal with chemical and bacteriological weapons. The Soviet union has also put forward a suggestion for joint studies in this area in its plan of September 23, 1960. In the opinion of my delegation, such technical studies should begin immediately. On the basis of existing proposals, it would appear that full agreement already exists on this point, and that there is no reason for further debate before concrete action is taken.

The fourth example: Provision is made in both plans—although at different stages—to cease production of fissile material for weapons purposes and to transfer existing stocks to peaceful uses. The increased amount of the initial end reductions proposed by the United States representative here on March 19 means that by the time the second stage is completed stockpiles will have been very greatly reduced. This fact brings the United States position much closer to the Soviet view that all such stockpiles should be eliminated in stage

II. In our opinion, further negotiation could bring about full agreement.

The fifth example: Both plans contain proposals designed to prohibit the wider spread of nuclear weapons. A resolution submitted by Ireland, calling for international agreement in this field, was endorsed by all the members of the United Nations at the sixteenth session of the general assembly, just a few months ago. What is required now is early action to bring this recommendation into force.

The sixth example: The United States program and the Soviet draft treaty both call for reductions of conventional arms in the first stage. The Soviet plan provides for reductions proportionate to manpower cuts. At our second meeting, the representative of the United States put forward new proposals calling for a reduction by 30 per cent. My delegation believes that this development brings the views of the two major military powers closer together. Detailed negotiations should begin at once to remove remaining differences.

My seventh example is as follows: In the crucial field of nuclear disarmament the positions of the two sides have likewise been brought substantially closer by the significant new United States proposals for a 30 per cent reduction of nuclear weapons delivery vehicles in the first stage. The Soviet draft treaty calls for the complete elimination of all such vehicles in the opening stage. Nevertheless, having in mind the magnitude of the initial cuts proposed by the United States, as well as the agreed principle of balance, my delegation believes that detailed negotiation should bring the two major military powers to agreement on phased reductions in this field.

In these seven areas, and there are probably others, we believe that an appreciable measure of common ground already exists. There is a second category of problems in which there remain more pronounced and generally well known differences between the two sides. I shall not dwell on them today, with the exception of the vital issue of stopping nuclear weapons tests, which requires special mention.

Canada deeply regretted that the Soviet union last August broke a three year moratorium on testing, for we are opposed to all nuclear weapon tests. In this we share the view of most other countries. Indeed, the major nuclear powers themselves have stated at this very conference that they would like to see all tests stopped. However, they now find themselves unable to reach final accord owing to disagreement on inspection. Is there no alternative to another series of tests with all the harmful consequences that such action could bring? Is it not possible, within the framework of this committee, to make the further effort which is required to break the deadlock? In my opinion, such an effort must be made, for otherwise the prospects of this conference itself could be seriously threatened. We already see, in dispatch after dispatch, stories that this disarmament conference is doomed to failure. These stories are based on the talks on nuclear weapon tests which have taken place between the nuclear powers and in which the other representatives at this conference have not been involved at all. In the minds of the public the impression has been created, because of the disagreement in these nuclear test talks, that this conference is going to be a failure. This, I submit, is a very bad situation, and one which I hope will be clarified by the correspondents of all our countries. As a start, it would be most helpful to receive a report on these informal talks which have been taking place on this subject from the three participants. Countries which do not possess nuclear weapons cannot put a stop to these tests; however, we can and do appeal to the nuclear states to do everything in their power to see that a solution is not further delayed.

There is a third category of problems in which the extent and the nature of the disagreement between the two sides are far from clear. As representatives will have noticed, I referred earlier to cases where there is disagreement but where that disagreement is clear cut and everyone understands what it is. What is required to resolve this third category of differences is, in the first instance, an intensive discussion which will demonstrate precisely what the positions of the two sides are. We must find out exactly the position taken by the two sides. To avoid continued misunderstanding, the respective interests of the two sides should be brought into the light of day and the possibility of an accommodation of views examined in good faith.

One of the most fundamental problems requiring this kind of examination is the question of verification. Canada's willingness to contribute to a verified system of disarmament has been demonstrated by the offer which my government has made, and which still stands, to throw open its northern areas for inspection in exchange for comparable rights in corresponding areas of Soviet territory.

In the opinion of my delegation, the best way to achieve a realistic solution of the problem of verification is to avoid any further discussion in the abstract. We should avoid abstract debates on the word "verification". Instead, there should be careful examination of each measure of disarmament together with the specific verification procedures to

ensure that all states carry out that particular disarmament measure. In other words, let us take a measure of disarmament and with it study the verification needed for that measure, rather than studying verification in general.

Let us take an example from the Soviet draft treaty to illustrate my point. Article 5 provides for the elimination of certain means of delivering nuclear weapons and for the cessation of the production. Paragraph 3 of this article provides that the implementation of these measures should be verified by inspectors of the international disarmament organization. The language of the Soviet draft treaty suggests that substantial inspection would be allowed over this measure of disarmament. What we need to clarify is how much the inspectors are to be allowed to see, and the conditions under which they would carry out this work. Having done that, the committee would then be able to judge how adequate the inspection arrangements would be for verifying the execution of this particular measure.

In pursuing an examination of the problem of inspection, particularly in the area of disarmament which I have just mentioned, the application of sampling techniques as suggested by the United States representative should facilitate agreement. This approach ought to go a long way toward removing fears that inspection will be out of balance with disarmament or be used for any illegitimate purpose. We sincerely believe there is great hope of reaching an agreement on the question of verification through some type of sampling procedure.

The same method of careful, painstaking examination, rather than abstract debate, should be applied in other areas where important but ill defined differences appear to exist between the two sides.

Finally, Mr. Chairman, I should like to make some proposals concerning procedure. Ever since the breakdown of the ten nation committee nearly two years ago, Canada has been convinced that rapid progress in disarmament negotiations would require a more efficient procedure than has been adopted in the past. In particular, we believe that agreement on effective procedural arrangements is a matter of the first importance if a committee of this size, with 17 or 18 nations participating, is to operate effectively.

The immediate question is how to proceed from the present exchange of general views on disarmament to a detailed examination of the specific problems. In the opinion of my delegation, an effective working procedure would be as follows. First, an informal committee of the whole conference should be established on a continuing basis, with the number attending from each delegation being more limited than at plenary meetings. Second, the co-chairmen should be given the responsibility for presiding over this committee on alternate days. They should maintain close consultation with one another on the order of business. I think the plan we are following in plenary meetings of having rotating chairmen is very good,—although I know from personal experience that it is more or less an honorary position and puts one in the category of being king for a day. But we believe that for the informal committee it would be much wiser to have the co-chairmen in the chair on alternate days. Third, the emphasis in the committee should be on an informal and private method of work. There need be no list of speakers and no verbatim records should be kept. A summary record could be provided for the information of delegations.

The main purpose of this informal working committee would be threefold: first, to follow up as a matter of priority the common elements in the two plans, such as the seven points which I mentioned earlier; second, to try to achieve reasonable compromises in remaining areas where clear differences between the two sides persist; and third, to make more precise the points under dispute in areas where differences between the two sides are yet ill defined.

In suggesting this procedure, my delegation has had in mind the experience of the conference here in Geneva on the future of Laos. Although there are continuing difficulties in the field in the unhappy country, the work of the conference here in Geneva has been successful. This has been due in large measure to the fact that an effective procedure was adopted, a procedure similar to the one I am now suggesting for the disarmament conference. At our meeting on Friday, the representative of India, Mr. Krishna Menon, also referred to the experience of the Laos conference—of course, India, like Canada, is participating in that conference—and he asked in this context that the committee meet informally so that the representatives of the United States and the Soviet union might provide clarification of respective ideas. We support this idea and agree with this proposal, but what we have in mind in addition is to use the proposed informal committee not only for the purpose of seeking information, but more importantly as a continuing forum for negotiation. By inviting the guidance of the co-chairmen we recognize that the United States and the Soviet union have by far the greatest responsibility in the field of disarmament. I do not suppose that either one of these

great nations ever sought this position of prominence or leadership in the world, but they are both in that position and they are essentially the two which must agree. It is essential that they work closely together to reach an accommodation of views.

In conclusion, while the problems of disarmament are difficult, there is clearly evident in this committee a will to achieve results and, more important, a realization of the sobering responsibility we bear for the survival of civilization. The consequences of failure are too disastrous to contemplate. I am confident that we will justify the faith and the trust which mankind has placed in us. From all over the world today, the eyes and the thoughts of people are focused on this conference.

HOUSE OF COMMONS

Friday, March 23, 1962

The house met at 11 a.m.

DEFENCE PRODUCTION

CF-104—REPORTED DELAY IN ACQUISITION AND COST INCREASE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would like to address a question to the Associate Minister of National Defence. In view of the fact that there was a defence estimate earlier this week, at which time the information could have been given to the house but was not, may I ask the minister whether he can confirm information given outside the house to the press to the effect that the acquisition of the CF-104 has been delayed five months and its cost will be increased by $30 million.

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I believe that this question should be asked of the Minister of Defence Production.

Hon. Raymond O'Hurley (Minister of Defence Production): I wish to advise the house that according to information received this morning from officials of the departments of national defence and defence production, production of the CF-104 interceptor aircraft is on schedule. We were supposed to have 80 planes delivered from the assembly line by the end of March. We shall have 84, so we are on schedule.

I wish to state also that officials of the Department of Defence Production have just advised me that the cost of the program to date is well within the estimate which was originally approved, namely, $420 million, plus $11.3 million for an additional eight dual trainers not included in the original program. I might explain that we are well within our estimate because the engine costs are below what was anticipated.

Mr. Pearson: In view of the minister's statement, will he be able to explain the statement of his colleague the Minister of National Defence that these planes will not be delivered to the squadrons in Europe until next year?

Mr. O'Hurley: I shall be pleased to answer that question. As I said, production is on schedule. The officials of the Department of Defence Production advised me this morning that the weather for testing these planes has been very bad for the last several months. However, 76 of these planes are now to be test flown. That is the report I received yesterday morning. The delay has been caused by bad weather conditions making it difficult to test these machines.

Mr. Pearson: May I ask a further supplementary question. Would the minister now comment on the statement made in this house on September 15 last by the Minister of National Defence that the first squadron would be delivered overseas in November of this year?

Mr. O'Hurley: At the time the Minister of National Defence made that statement it was a correct assumption, but neither he nor anyone else anticipated there would be this very bad weather, unsuitable for the testing of the planes. That is the reason there has been this delay, and it can be verified by officials of the Department of National Defence.

Mr. Pearson: All due to the weather.

Mr. Hees: Shot down again.

Mr. Pearson: Five months of bad weather.

Mr. Hees: Ask another question.

An hon. Member: How about one from Paul?

Mr. Martin (Essex East): You would get a very interesting one.

Mr. Speaker: When the debate is over the hon. member for Vancouver East has a question to ask.

UNEMPLOYMENT INSURANCE

REPORTED DEFRAUDING OF FUND THROUGH COLLUSION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): With all the dignified indignation at my command I should like to direct a very pertinent and important question to the Minister of Labour. Has the minister noted the front page story in the Vancouver *Sun* under date of Wednesday, March 21, in which Mr. G. A. L. Murchison, head of Canada's unemployment insurance commission, is reported to have stated in Vancouver—my home city—that employers and workers were "conspiring to defraud the fund of millions of dollars every year" and warning that "contributions will have to be raised if the fraudulent practice is not stamped out"?

Inquiries of the Ministry

I should like to ask whether the Minister of Labour is in a position to comment on this charge made in Vancouver. Can he give the house any indication of how many millions of dollars have been lost to the fund through fraud and, finally, can he clear the good name of the vast majority of Canadian workers whom Mr. Murchison is charging with collusion?

Hon. Michael Starr (Minister of Labour): I have not seen the original article, but it has been brought to my attention. Mr. Murchison is not the head of the unemployment insurance commission; he is one of three members. The chief commissioner is Mr. Fortier. Mr. Fortier has been in touch with Mr. Murchison with respect to this statement, and reports to me that Mr. Murchison in his own words did not make any estimate of the drain on the fund resulting from fraud committed by employers in giving false statements of reasons for separation. He was pressed to suggest a figure but declined for the reason that the extent of the irregularity was not known and could not be ascertained with any degree of accuracy.

The Canadian Press checked with Mr. Murchison yesterday morning and now know that no amount was stated. Mr. Murchison also has a copy of the statement which was used at the interview.

INQUIRY AS TO REPLENISHMENT OF FUND

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of Finance if he can say whether or not it is a fact that the unemployment insurance commission has asked for a further amount in addition to the $25 million to replenish the unemployment insurance fund, and that this request was made at the time the original amount was decided on by the government.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the hon. member keeps referring to facts when the things he is saying are not facts.

Mr. Martin (Essex East): I am just asking a question.

Mr. Fleming (Eglinton): The answer is no. This figure was arrived at in the course of normal consultation on the part of those concerned, and it was concluded that this was a quite adequate figure to cover all likely contingencies.

Mr. Martin (Essex East): May I ask the minister if a request for a larger amount was made? That was my question.

Mr. Fleming (Eglinton): By whom?

Mr. Martin (Essex East): By the unemployment insurance commission.

[Mr. Winch.]

Mr. Fleming (Eglinton): I think I have answered that question. This was a matter for discussion, and the figure that was put forward in the estimates, $25 million, was regarded by all concerned in the light of the discussion as quite adequate to meet all foreseeable contingencies.

ADMINISTRATION OF JUSTICE

JOHN PAPALIA—INQUIRY AS TO RELEASE TO U.S. AUTHORITIES

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I direct a question to the Minister of Justice. If he can, will the minister explain why Mr. Justice W. D. Roach, the commissioner appointed to investigate organized crime in Ontario, was not consulted before the release to the United States authorities of John Papalia, and what were the reasons for the release of Papalia to the United States authorities on March 15, 1962?

Hon. E. D. Fulton (Minister of Justice): Yes, Mr. Speaker. I think if my hon. friend would look at the article from which he undoubtedly took his information, which article appeared in the *Globe and Mail* of March 21, he would see the reason Mr. Justice Roach was not consulted. There was no knowledge here that Mr. Justice Roach wished to question this man. I did consult with the attorney general of Ontario, who has made a statement as to why he did not inform Mr. Justice Roach.

The reason for Papalia's release from prison here was in order that he might be sent to the United States, an order for his extradition having been made, to stand trial on a charge of conspiracy in a very large narcotic importing racket. The United States authorities indicated to us that they wished to proceed with the trial this month or early in April, that they had a number of other accused persons ready for trial, and that it would be very much in their interests and in the interests of justice if Papalia were to stand trial at the same time, as all these accused in the United States were involved together.

We concluded that it was in the interests of justice and in accordance with the extradition treaty to release Papalia in order that the order made by His Honour Judge Forsyth for his extradition could be complied with.

Mr. Martin (Essex East): A supplementary question, Mr. Speaker. Is it a fact that Papalia had not completed his sentence in Canada and that his counsel had asked that he not be released at this time in view of that fact?

Mr. Fulton: I am not aware that any request was made by his counsel, Mr. Speaker. It is true that he had not completed his sentence, but the time for appeal had gone by.

SONS OF FREEDOM—REQUEST FOR ROYAL COMMISSION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address another question to the Prime Minister. It is with regard to the Prime Minister's answer on March 21. Has he now received the resolution from the city council of Trail urging the establishment of a royal commission to explore all facets of the outbreaks of violence in the Kootenays? If so, what consideration is he giving to this important matter?

Right Hon. J. G. Diefenbaker (Prime Minister): A letter was received with the request in question. Because this is a matter that deals particularly with the administration of justice within the province, the setting up of any royal commission, I am sure, would be a matter for the provincial government of British Columbia.

SONS OF FREEDOM—SUGGESTED SHARING OF LOSSES CAUSED BY TERRORISM

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I have another question to ask the Prime Minister, Mr. Speaker. I know he realizes how my constituents are concerned. Has the Prime Minister now received the letter from Mr. T. A. McRae to which I referred on March 21, asking that the federal and provincial governments share equally the financial losses caused by acts of terrorism? If so, what consideration is he giving to this request?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I received a communication from Mr. McRae who indicated that he was speaking on behalf of a group of persons at a meeting. No consideration has been given to this request.

The administration of justice is within the jurisdiction of the province and, sympathetic as it is to the situation in which the people of that area of British Columbia find themselves, the federal government cannot act unless the provincial government, within the provisions of the National Defence Act, calls for assistance. This being a matter which peculiarly falls within the jurisdiction of the provincial government I suggest to the hon. member that such questions could generally be directed to the government of British Columbia by those who have communicated with me.

Mr. Herridge: I have a supplementary question. Does the Prime Minister realize that this group he mentions is composed of members of all parties representing the whole riding, including capital, labour and agriculture?

Mr. Diefenbaker: Mr. Speaker, in the message received there is no identification as to the composition of the group. I thank the hon. member for giving the house that information. It was not given to me.

FISHERIES

SEAL HUNTING—REPORTED OPERATION OF FOREIGN SHIPS WITHIN THREE MILE LIMIT

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. Has the minister been informed that foreign ships are operating inside the three mile limit killing seals at Grady, near Hamilton inlet off the coast of Labrador, and would he please have this matter investigated immediately by helicopter because of its importance to our Canadian sealers who are seal hunting in that area?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, my department has been aware of this report for some time now. We have already investigated it and found that there were no sealing vessels inside the three mile limit, but that sealers from at least one vessel had been killing seals in Canadian territorial waters. We have been assured by the Norwegian authorities that this occurrence will not happen again. I might add that we are watching the situation closely.

POWER

COLUMBIA RIVER—REPORTED SUGGESTION FROM U.S. GOVERNMENT RESPECTING RATIFICATION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the Prime Minister's reply yesterday that he has received a message from Washington, presumably concerning the ratification of the Columbia river treaty, could the Prime Minister now say whether he has replied to the United States government?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that communication was received just several days ago and no reply has been made as yet.

TRADE

URANIUM—INQUIRY AS TO NEGOTIATIONS WITH UNITED KINGDOM

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, now that the Minister of Trade and Commerce has returned to the house I wish to ask him whether he has

anything to add to what was indicated to the house last evening by his parliamentary secretary about the negotiations with the British over the uranium contract and particularly with respect to the termination of negotiations and the price.

Hon. George H. Hees (Minister of Trade and Commerce): No, Mr. Speaker. As I explained in answering questions asked me by the Leader of the Opposition on several occasions in this house, the negotiations are going forward and we have hopes that they will be concluded in the reasonably near future.

THE ROYAL FAMILY

THE QUEEN MOTHER—REQUEST FOR DETAILS OF CANADIAN TOUR

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, I have a question for the Prime Minister. Is the Prime Minister now in a position to give the house details of the visit of the Queen Mother in June?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, yesterday the hon. member asked that question. I think the best way to answer it would be to simply table the press release with regard to the visit.

Mr. Speaker: Has the Prime Minister leave to table the press release relating to the Queen's visit?

Some hon. Members: Agreed.

ROYAL CANADIAN MOUNTED POLICE

REPORTED INCIDENT FOLLOWING LETTER TO PRIME MINISTER

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): Yesterday, Mr. Speaker, the hon. member for Niagara Falls (Miss LaMarsh) asked me a question based upon an article which appeared in *The Miner's Voice* in which it was alleged that a person who wrote to the Prime Minister about a problem received no reply but was visited by the Royal Canadian Mounted Police. In the article it was also alleged that the R.C.M. Police threatened him if he wrote any further such letters.

As I undertook to do, I have investigated this matter. I am advised by the R.C.M. Police that they have absolutely no knowledge of having received a request to make such an investigation, or of having received any such letter that may have been sent to the Prime Minister. My office never referred any such letter to them. I have inquired of the Prime Minister's office and I am advised that there is absolutely no recollection or record of any such letter having been received and referred to the R.C.M. Police for investigation.

Of course, Mr. Speaker, that is the difficulty with this kind of anonymous complaint. In the absence of a name it is impossible to establish with absolute accuracy that no such thing took place. However, in the absence of a name, on the basis of investigations that have been made in my office, the Royal Canadian Mounted Police and the Prime Minister's office, I can only conclude that there is absolutely no foundation for the allegation appearing in that paper.

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

DEPARTMENT OF TRANSPORT

Air transport board—

664. Subventions for air carriers as detailed in the estimates, $300,000.

(Translation):

Mr. Bourget: Mr. Chairman, I am sorry that the member for Laurier (Mr. Chevrier) is not feeling well and cannot be with us this morning, for I know he would have certain questions to ask the Minister of Transport concerning the item under discussion.

Last night, in the course of his observations, the minister said this amount of $300,000 represented a monthly grant of $25,000 now being paid to the Pacific Western Airlines in respect of operation deficits suffered in the prairie provinces, where they have a line servicing Edmonton, North Battleford, Prince Albert, Saskatoon and Regina.

I should like to ask the minister why Quebecair, in the province of Quebec, has not been granted a subsidy, when, under the item we are dealing with, a private company is getting one. Why is this western company receiving a grant when Quebecair has been denied one?

Mr. Balcer: Mr. Chairman, it will be a pleasure to answer that question. But first, I should like to join with the hon. member for Levis (Mr. Bourget) in wishing the hon. member for Laurier (Mr. Chevrier) an early recovery. I know his interest in the activities of the Department of Transport and I, too, am sure that he might have one or two questions to ask about those items this morning. I am positive that the hon. member for Levis will carry out this task with his usual skill.

Mr. Pigeon: He replaces him very well.

Mr. Balcer: Now, Mr. Chairman, I come back to my hon. friend's question. He asked why we granted that subsidy to the Pacific Western Airlines Company and why we had not seen fit to grant one as yet to the Quebecair Company.

In the case of the Pacific Western Airlines Company, it is a subsidy for a particular route. As I said last night, Pacific Western Airlines took over that route in 1957, after the withdrawal of the Canadian Pacific Airlines. At the time, the company was getting a rather substantial subsidy from the Post Office Department. The subsidy was discontinued and the Pacific Western Airlines asked the air transport board for permission to discontinue the service entirely.

We realized the government would be faced with the problem of certain communities being deprived of an air line service for the first time in many years. That is why the government decided to give the company a temporary subsidy of $25,000 a month, but only for that route in particular. That subsidy is only temporary and it will be paid in its present form only until the air transport board has made a complete report on what is commonly called the prairie milk run, that is the air service in the prairie provinces.

The request of Quebecair for a subsidy was based on the fact that this company was in a rather serious financial situation in 1961, which was not necessarily caused by one route in particular. Even though Quebecair had discontinued to serve several points on its routes, the latter were already served by several other air lines. Therefore, the public would not have been entirely deprived of air service. With regard to the other points not already served by the two air lines, Quebecair and T.C.A., other air lines were willing to provide such service. Consequently that request was quite different from the other.

As far as the financial difficulties of Quebecair are concerned, that question has already been studied by the air transport board and by myself. After a thorough study of the financial situation and the transport facilities of the company, the board made suggestions and examined, with Quebecair officials, the ways and means to balance the financial situation of the company. In fact, I am happy to be in a position to state today that the company has undergone a serious reorganization, concerning the financial aspect as well as operation and air services, and that it is now in a much better financial situation.

However, Mr. Chairman, this does not mean that Quebecair will not be able to get a subsidy when the air transport board has completed the general inquiry it is now making.

As I said a moment ago, the air transport board is conducting a complete survey of all regional services throughout the country. It held its last public hearing a few weeks ago and we expect to receive a full report within a couple of months. It is quite likely that the board may recommend subsidies for some routes and some regional air carriers. I am of the opinion that, at that time, Quebecair's application may be studied again by the air transport board and, should it be found then that the financial situation of Quebecair warrants a subsidy, according to standards that will have been set by the air transport board, following its inquiry, Quebecair will be treated on the same basis as the other air carriers.

Mr. Bourget: Mr. Chairman, if I understood the minister correctly, I think that Quebecair has applied to the air transport board for a subsidy. In that case, could the minister tell us if the board has recommended that the government pay the subsidy? In addition, could the minister tell us the amount of the subsidy the air transport board has recommended to the government?

Mr. Balcer: Mr. Chairman, subject to correction, I think it was $340,000 payable in a lump sum. On the other hand, in its recommendation to the governor in council, the board set five or six conditions.

One was the refinancing of the company. In addition, the board suggested that Quebecair reduce its equipment, following which the company returned its two largest planes to its suppliers who have not yet formally accepted them. The governor in council will make no final decision on Quebecair's application until those conditions have been implemented.

Mr. Bourget: Mr. Chairman, I understand that the recommendation—

(Text):

The Chairman: I think I recognize the hon. member for Moose Jaw-Lake Centre.

Mr. Pickersgill: On a point of order—and I am seeking to raise this in a non-controversial way because Your Honour is fairly new in conducting proceedings from the chair in committee of supply, I think it has

always been recognized that when a series of questions and answers about a particular item are being carried on between an hon. member and the minister, it has been considered by the Chair that as long as it is carried on within reason it should be concluded before another hon. member is recognized, so that the matter will be dealt with consecutively in *Hansard*. I am not seeking to prevent any other hon. member from speaking, but I think we all want to get through these estimates as quickly as possible, and I suggest this would expedite the proceedings.

The Chairman: That is very reasonable. Of course I am not aware before the hon. member raises a question whether it is still on the same particular aspect of the item. If he is still dealing with the same matter then, with the permission of the hon. member for Moose Jaw-Lake Centre, I would yield the floor to him.

(Translation):

Mr. Bourget: Thank you, Mr. Chairman. The minister told us that the government had received the air transport board's recommendation.

Now, in his replies to the hon. member for Laurier, on February 2 and 5, the minister stated that the government had refused to accept the air transport board's recommendation.

Could the minister tell us why the government did not accept the board's recommendation?

Mr. Balcer: Mr. Chairman, as I said a moment ago, the air transport board recommended payment of a subsidy, on four or five specific conditions and, due to the fact, at the time the request for a subsidy was considered, those conditions had not been fulfilled, the government did not deem it proper to grant the subsidy. However, when those conditions are fulfilled, and if at the time the government considers that Quebecair is still in need of a subsidy to provide an essential service or else to prevent the public from suffering owing to the fact that this company cannot provide some essential services, the matter of a subsidy will once again be considered by the government.

With regard to all those subsidies, we should not overlook the fact that the government must base its decisions on the necessity of the service. This must be a public service, and the government must not base its decision on the interest of the company itself, but rather on that of the public.

With regard to Quebecair, I must say it is of great service to the people of an area of the province of Quebec which is developing at a tremendous rate. Today, Quebecair serves communities which were not on the map some four or five years ago, such as Gagnonville, Wabush and Manicouagan.

Mr. Chairman, I point out those facts in order to show to what extent the situation is rapidly developing in that part of the country.

Quebecair authorities had made certain forecasts which did not prove to be accurate then, but quite recently, indeed during the last two months, the company has had tremendous success.

It has set up new schedules and, as we have seen recently, it has established a service between Montreal, Chicoutimi and Wabush, and I am quite certain that as a result of the commercial activity which is rapidly increasing now throughout Canada, Quebecair will probably achieve economic success enabling it to operate and serve the public without government help. But, just the same, the government is always ready to help air transport companies for the only purpose of providing transportation which is essential to the public.

Mr. Bourget: Mr. Chairman, the minister stated a moment ago that a subsidy had been granted to a western transport company, solely because it was the only one to operate such a service in that area. If I understood the minister correctly, he said that Quebecair was the only one to serve certain new areas like Gagnonville and others, in northern Quebec. I feel that the situation is the same.

If a subsidy was granted to a western company because it was the only one to serve an area, I feel that the same policy should apply to Quebecair since it is the only one to serve those new areas in northern Quebec, and I fail to see why the recommendation of the air transport board concerning Quebecair was not accepted. I do not understand that difference in policy on the part of the government.

Mr. Balcer: My hon. friend misunderstood me, Mr. Chairman. In the case of the Regina-Edmonton route via Saskatoon, Prince Albert and North Battleford, there was only one air line, the Pacific Western Airlines, and when this company expressed the wish to withdraw, no other company was interested in operating

that deficit-producing service. Thus, people in that area would have been left entirely without air service.

As to Quebecair, it is a regional air line serving Gagnonville, Manicouagan, and Wabush, and I am convinced that at least five or six companies would be willing to operate that air service because it is profitable. Indeed, if Quebecair decided to abandon that service tomorrow morning another company would seize within 48 hours the opportunity of running a service into those districts. That is the difference.

In the case of the subsidies paid to Pacific Western Airlines, the public was facing the threat of having no air service whatsoever.

In the case of Quebecair, the company was facing some financial difficulties, but I am satisfied that the citizens in the area mentioned by my hon. friend would not have gone without air services.

Mr. Bourget: Mr. Chairman, the minister mentioned the financial difficulties of Quebecair. Does the minister not believe that those financial difficulties were increased because of the minister promising the company exclusive operation in some districts, and more particularly between Quebec city and Seven Islands?

Would the minister, when replying, tell us whether he made the following statement at Rimouski on February 18, 1961, and I quote:

> As far as Quebecair is concerned, its problems are now being considered and a satisfactory solution will be found and carried out in the next ten days.

In that case, could the minister tell us if the financial difficulties experienced by the company have not, in fact, increased because of the promises which he made in Rimouski?

Mr. Balcer: I differ with my hon. friend on that point, Mr. Chairman, because the company had at that very time acquired some very expensive equipment in the last few months. When T.C.A. decided to reduce their rates, Quebecair had to face a rather serious financial problem.

As far as I am concerned, I attempted several times to assist the company through several means. We were not successful in every case. I tried to encourage its management as far as possible because every week bankruptcy loomed on the horizon. I always tried to maintain that service because the company employed several hundred employees, thus providing for the subsistance of part of the population of Rimouski.

I remember that during that difficult period the dedicated member for Rimouski (Mr. Morissette) was here in Ottawa asking me to try to maintain the Quebecair service.

We succeeded in maintaining it and today the company's business is more encouraging. Everything indicates that the company's future is bright, and that the population of the lower St. Lawrence will continue to benefit from the service of that company and of many others serving the area.

Mr. Bourget: Mr. Chairman, I can see why the minister appears to be so optimistic about Quebecair, but it would be more interesting to find out what concrete steps are being taken by the government to actually help that company.

The minister told me a while ago that the government itself had rejected the air transport board's recommendation. Then, how can he feel so optimistic now, when in my opinion the government has not done anything yet to help the company.

Mr. Balcer: As I said earlier, Mr. Chairman, the last time Quebecair requested a subsidy, the air transport board made quite an extensive inquiry into the company's business operations, including flight schedules, equipment, operating costs as well as its general financial position.

When the experts of the air transport board referred their recommendation to the government, there were certain conditions to it. Well, all those conditions have not been met but the company did carry out several suggestions laid down by the air transport board.

There has been a complete financial reorganization of the company and it is no longer in danger of bankruptcy. Its financial position is sound now and we have every reason to believe that it will be able to meet its obligations and keep on serving the population of the lower St. Lawrence area.

Mr. Bourget: Does the minister mean to say that at present, the company does not need a grant or financial assistance?

Mr. Balcer: I am not saying that the door is closed but when all the conditions have been met, we shall reconsider the advisability of a subsidy.

When the final report of the air transport board with regard to its enquiry throughout the country has been published, that is in a

couple of months from now, we shall see whether the board has reached the conclusion that we should establish the same system as in the United States, or whether we should more particularly assist certain air lines.

I am not an expert with regard to those details, but I am convinced that a report of great significance in the history of Canadian aviation, will be submitted to us by the air transport board, because there has never been so complete an investigation of conditions such as the local air transport companies have to face at this time.

This is the first time that such a far-reaching enquiry is being made from coast to coast, and I believe that it will bring about some extremely important recommendations.

As far as Quebecair is concerned, we will then be in a better position to decide whether that company has a right to an annual subsidy or whether, for instance, it has meanwhile been observing the conditions set forth by the air transport board. If so, the government will reconsider awarding the company an immediate subsidy to help it face up to the present situation.

Mr. Bourget: With regard to that company, Mr. Chairman, the minister undoubtedly remembers that, on February 28, the hon. member for Laurier asked for all correspondence between the Minister of Transport and the president of Quebecair or any other person interested in the matter. I believe that only part of the correspondence was tabled.

Mr. Balcer: Mr. Chairman, the hon. member for Laurier raised that point the other day. I personally checked all our records on the matter and I want to say that all correspondence between the president of Quebecair, myself and the air transport board which was not of a purely personal and confidential nature, has been tabled.

There was some correspondence after the date mentioned by my hon. friend, but, at the request of the president of the company himself, it has been considered as personal and confidential.

As it is a practice in this house not to table any personal and confidential papers, those documents were not included. All we received, which was not of a purely personal and confidential nature has been tabled in this house.

Mr. Bourget: With regard to that matter Mr. Chairman, could the minister not look over the records again to see whether there is not a letter dated November 13, 1961, which was not marked confidential? Could the minister do that or, having looked up the records, is he now in a position to state that there is no letter dated November 13, 1961, which could be tabled as not marked confidential?

Mr. Balcer: Mr. Chairman, I know which letter my hon. friend means. I believe there is a copy, but it is precisely one of those letters the president of Quebecair asked me to stamp personal and confidential, because he did not want it to be tabled in the house.

He said that the letter contained a few allegations which he considered as not accurate after checking.

At his request, that letter was not tabled because he said he had always considered it as personal and confidential.

Mr. Bourget: Did the president of Quebecair personally ask the minister, either by letter or by phone, to have that letter marked confidential, or is it not the contrary that happened, that is would the minister or officials of his department not have asked that it be stamped confidential?

Mr. Balcer: Mr. Chairman, I know that the new president of the company came to see me and that we discussed all those matters thoroughly.

I could not tell whether it was I or he who raised the question but we have discussed that correspondence and he was the first to admit than it contained some ridiculous allegations and that he did not want me to consider it as business correspondence. And he asked me to have it marked personal and confidential.

Mr. Bourget: Of course, Mr. Chairman, I cannot compel the minister to offer his answer, but those who are interested in this will be able to read it in *Hansard*.

However—and these will be my last remarks—I do feel that two policies are being applied—one for a western company and another for a company in the province of Quebec.

Mind you, I am not at all against a grant that may be needed by that air line company in a western province, but I believe the same policy should apply to Quebecair operating in the province of Quebec.

Of course, the minister is free to act as he pleases; however, he will bear the responsibility of the decisions he is now taking.

Mr. Balcer: Mr. Chairman, I wish to set the facts straight.

Let me repeat for the third time that my hon. friend implies things that are not accurate when he rises here and says that the Quebecair situation, as far as certain points of the lower St. Lawrence river are concerned, is the same as that of Pacific Western Airlines concerning the Regina-Edmonton-North Battleford line.

When he says that it is the same thing, he implies things that are not accurate. He knows very well that what he claims makes no sense because there is a tremendous difference between no service at all and service by another company.

In the case of Quebecair, if that company had withdrawn from any point where it now operates, within 48 hours there would have been another service in operation there by another company. As far as Pacific Western Airlines are concerned, if they had withdrawn from the points mentioned, the public there would no longer have had any service, at least for several years to come. So there is a difference between the two.

In the case of Quebecair, this was a company which was faced with financial difficulties. In the other case, we had a line which did not produce enough revenues for a company to be interested in continuing its operations.

Such was not the situation at all in the case of Quebecair. There was never any question of Quebecair asking permission to abandon any line.

(Text):

Mr. Pascoe: At the risk of appearing too persistent with regard to this problem, I should like to bring once more to the attention of the Minister of Transport the complete lack of air service to the city of Moose Jaw which I represent, I raise the question now in connection with this item No. 664 which is being considered by the committee at the present time because the minister has referred to possible changes in the T.C.A. milk run which now passes directly over Moose Jaw.

There is no need for me to delay the committee at this time by going into details. The minister has in his files earlier representations which I and other interested parties have made to him on behalf of Moose Jaw. I should like to refer briefly to a few arguments concerning the inclusion of Moose Jaw in some air service. In addition to its population of 33,000, Moose Jaw serves a rural population of more than 40,000 and a trading area population in excess of 150,000. The city is greatly concerned over the essential necessity of securing adequate air service comparable to the service received by other prairie centres. The general public in this area is becoming more aviation-conscious each year. This is shown by the increased air traffic from Moose Jaw by T.C.A. even though Moose Jaw patrons have to drive over 40 miles to Regina in order to board planes.

As the minister has stated, the air transport board held hearings last autumn on the application by T.C.A. to abandon the air service which is generally referred to as the prairie milk run. In the belief that some other air line will take over this service should it be abandoned by Trans-Canada Air Lines Moose Jaw presented a very strong brief to support its claim for inclusion in any new air service. I should like to read a brief excerpt from a letter I have received from the mayor of Moose Jaw. He writes:

> —we have consistently approached Trans-Canada Air Lines to give consideration to this city being included on the east-west run now under discussion by all cities concerned from Winnipeg to Calgary. We have repeatedly stated and sincerely believe that this city should be entitled to an east-west outlet . . . We think that any change that does transpire with regard to the operating of this service should include Moose Jaw in view of the considerable revenue that has been derived by Trans-Canada Air Lines from this city and district in spite of the inconvenience caused to the travelling public by having to journey by land direct to Regina.

This is a short extract from a letter I received from the mayor of the city. I wish to present once more Moose Jaw's claim for inclusion in any new air service that may take the place of Trans-Canada Air Lines' present milk run. The minister stated that the decision of the air transport board will be announced shortly. Moose Jaw hopes that the city's brief has been favourably considered by the board.

Mr. Martin (Essex East): Mr. Chairman, I wish at this time to raise a matter which I have already discussed with the minister. I thank him for the co-operation he has displayed in listening to the representations

made. I have also discussed this matter with officials of the department, with officials of Canadian Pacific Airlines and with other interested groups. The matter I have in mind concerns the development of the airport at Windsor, an airport which I think should be regarded by the department as one of the top priority airports in Canada, if that is not already the case.

Mr. Balcer: On a point of order, Mr. Chairman, this item is entitled "Air transport board, subventions for air carriers". I do not think my hon. friend is talking about subventions for air carriers, and he is not talking about services. I believe he is speaking about airport construction, which subject has nothing to do with this vote.

Mr. Martin (Essex East): On the point of order, Mr. Chairman, I did not rise in a critical manner. However, as the minister knows, I can easily be aroused into becoming a critic. My point is that the minister's point of order should have been taken when the hon. member for Moose Jaw-Lake Centre was speaking. That hon. gentleman was not talking about the development of an airport but about the establishment of something that is non-existent—

Mr. Balcer: He was talking about services and subventions.

Mr. Martin (Essex East): He was talking about services and so am I. This is a vote to provide a grant for the "commission des transports aeriens", the air transport board, and air services. If the facilities of the airport are improved, as I am going to urge and as I have already urged upon the minister, surely that is of direct benefit to the air services that use the port.

The Chairman: Order. On the point of order there is one thing I should like to point out. The details of the item read as follows:

Scheduled air services between Alberta and Saskatchewan—

The hon. member for Moose Jaw-Lake Centre was speaking about air services in that area but I am afraid the hon. member for Essex East is embarking on a discussion of air services in his riding in the province of Ontario. I therefore cannot see at the moment that his remarks are relevant to the item before us.

Mr. Martin (Essex East): I appreciate your difficulty, Mr. Chairman, but if you will listen to me for a moment or two Your Honour will see how I can bring this clearly within the item before the committee. It will take only a moment. I simply ask the minister to consider the following submission. In view of the fact that Canadian Pacific Airlines operates in western Canada and is covered by this vote, and in view of the fact that C.P.A. proposes to establish a run from Windsor to Mexico on April 14 next, I feel I am in order in asking the minister to give consideration to the request of Canadian Pacific Airlines for the building of a runway that would take care of the jet service which C.P.A. would like to have operate between Windsor and Mexico city. At the present time—

[Mr. Martin (Essex East).]

The Chairman: I am afraid—

Mr. Martin (Essex East): Will I not be permitted to continue?

The Chairman: I have allowed the hon. member to introduce his subject but, as I see it, it is entirely irrelevant to the item before us. Much as I would like to allow the hon. member to continue in that vein, if I were to permit him to do so I would have to permit all hon. members to follow that course. I think he will agree that I cannot consider his remarks in order at this time.

Mr. Martin (Essex East): I thank you for your ruling, Mr. Chairman. I would not wish to take advantage of your generosity. May I say, however, I think you will agree that I have reminded the minister of something that is of great concern to the people of my constituency.

Mr. Smallwood: Mr. Chairman, I should like to take a few minutes of the committee's time to speak on this item which provides a subsidy of $300,000 to Pacific Western Airlines travelling between Edmonton, North Battleford, Prince Albert, Saskatoon and Regina. Formerly the air line stopped at the city of Lloydminster. About two years ago this service was discontinued to that centre. Lloydminster is one of the most progressive small cities in western Canada. There is considerable industry in that city, and there are many businessmen there who require that service. For that reason, and inasmuch as we are paying the company an annual subsidy of $300,000, I feel the company should service the city of Lloydminster. It is important to the businessmen of that community that they have this service available in order that they may reach the larger centres of Edmonton and Saskatoon, at which points they make connections with larger planes travelling east.

I know the chamber of commerce and the mayor have representations on this matter before the board. I simply wish to draw this matter to the attention of the minister at this time. I feel that if we are to pay the subsidy the city of Lloydminster should be

entitled to service by the planes which, although they previously landed there, now fly right over the city.

Mr. Herridge: Mr. Chairman, I do not wish to take up the time of the committee unnecessarily. I have received a number of letters from constituents complaining about a lack of co-operation between Trans-Canada Air Lines and Canadian Pacific Airlines with respect to information as to flights and timetables between various airports. One constituent was recently at a prairie airport, I believe in Regina. At the T.C.A. airport it was impossible for him to obtain the information he required to take a C.P.A. flight, and things of that sort. Has the minister had any complaints along that line? I have had several which indicate some lack of co-operation with respect to information concerning times of flights and things of that sort, especially when the flights are delayed.

Mr. Balcer: The only complaints I have received were those that were transmitted to me by the hon. member himself. I immediately transmitted those complaints to the air transport board and asked them to investigate and to make representations to the two air lines so that the public should be treated in the best manner possible, and also so that the service to the public should always be kept up to the very high standard that these two air lines have maintained in the past.

(Translation):

Mr. Robichaud: Mr. Chairman, I have but one question to direct to the Minister of Transport merely as a matter of information.

He indicated, at the beginning of this week, that his department was prepared to contribute $65,000 toward building the Charlo airport in New Brunswick. Could the minister tell us if the company which is interested in the operation of that airport had asked for a subsidy? At the same time, perhaps the minister could report to the house on the request made by the municipality of Gloucester to build an airport in the Bathurst area?

Mr. Balcer: Mr. Chairman, I think the question of my hon. friend is not quite in order. Just the same, I wish to tell him that with regard to the request made by the municipality of Bathurst—no, the other one—

Mr. Robichaud: Gloucester.

Mr. Balcer: —my officials are now considering the matter.

With regard to the air company serving Charlo airport—I do not remember exactly what company it is—and my hon. friend will perhaps tell me its name—

Mr. Robichaud: It is the Maritime Central Airways.

Mr. Balcer: —I do not have this information at present, but I know my officials have decided to contribute that sum for the building of an airport, after having seriously appraised the economic possibilities of the area. I am convinced that the company or companies which will serve that area will also benefit from the closest co-operation on the part of of my officials, and we shall do our utmost to provide the people of that area with the service to which they are entitled.

(Text):

Mr. Fisher: We approve this subsidy, Mr. Chairman. I just wished to underline first of all that there is hardly any air line anywhere in the world that is operating without government subsidies of a direct kind, particularly in the United States. There is nothing in this item that surprises us. The questions I wish to ask arise from the indication given by the minister that there are in preparation reports reviewing the whole scale of services. He mentioned this matter last night.

I wish to ask him some questions about how broad this investigation is. Does it include cost factors built into the Department of Transport through the provision of terminal facilities, for example? Is this survey not only taking into account a projection of the kind of services we need to supply to our communities across the country and the improvements in the next few years, but is it also an integrated look at the expense of providing the terminal facilities?

The reason I ask this question relates to an interest of mine that goes back several years and which indicates that only one or two airports in Canada are actually getting enough revenue from commercial air lines to meet their operating and maintenance expenses. These are very few and the margin is very small. In other words the basic provision of terminal facilities in the air line field is a very costly one to the taxpayer.

The hon. member for Moose Jaw made a point about his community. I think the hon. member for Battle River-Camrose also made a point. In our part of the country we have an interest in better services generally and certainly in better terminal services. I wonder whether these reports being prepared by the air transport board are looking at this total picture and the tremendous expense we have ahead of us in the next decade.

The minister is aware of the fact that we have a number of extremely controversial

questions relating to air policy, some of them beclouded by a rather phony fight, from my point of view, between free enterprise as represented by Canadian Pacific Airlines and Trans-Canada Air Lines, the government air operation. I say "phony" just to underline the very point that there is not any way in which the general or ordinary taxpayer of Canada can come out on top where air travel, freight or express are concerned. He is obliged to supply, through D.O.T., so many expensive services that in the long run we are brought starkly up against the realization that the provision of air transport is the provision of a service which in essence can never really be made remunerative or profitable in a total sense. Not only do Canadian Pacific Airlines and all these other air lines need subsidies in respect of the provision of facilities, but in many cases they need much more concrete subsidies than that, as indicated by this vote.

Maybe the minister wishes to wait until we have a debate on the creation of the T.C.A.-C.N.R. committee. However, I would appreciate at the present time a brief review of government policy and intentions in this field. I think the matter is opened up by the indication he gave last night that this report is one aspect of a complete review of commercial air line services in Canada.

Mr. Balcer: I should like to say that this inquiry by the air transport board, as do all their inquiries, deals only with the carriers and not with the facilities such as airports and services like the meteorological services and others. I should like to state now that four or five of our major airports are covering all their costs and depreciation, and that several others are almost covering all their operating costs. That is a very encouraging situation when you consider the splendid airports we have in Canada. We have some extremely modern airports with all kinds of facilities such as radio, towers, meteorological services and all sorts of equipment. When you consider how expensive all these services are I think it is a credit to the department that so many of our airports at the present time are covering their operational costs and that some of them—I refer to the largest ones —are covering their depreciation as well as their operating costs.

Mr. Robichaud: Is the minister now in a position to confirm treasury board approval of a grant for the construction of an airport at Bathurst, Gloucester county?

Mr. Balcer: Yes, I am in a position to confirm this approval right now.

Mr. Henderson: Mr. Chairman, I should like to say a few words about the airport at Dawson Creek, which is in the centre of the busiest part of Canada. Piles of money are being spent there. Bennett is building a big dam at Hudson Hope.

[Mr. Fisher.]

The Chairman: Order. I am sorry to have to tell the hon. member that these remarks are not in order at this time, as the item relates to air services in Saskatchewan and Alberta. I believe the hon. member is embarking on a subject—

Mr. Pickersgill: On the point of order you have raised, Mr. Chairman, you have allowed a little latitude to some other hon. members. We all love the hon. member for Cariboo, and I am sure there would be unanimous consent to giving him permission to ask his question.

Mr. Herridge: Mr. Chairman, I want to join with the spokesman for the official opposition and say that not only do we love the hon. member but we adore him.

The Chairman: I am sure that the love the committee has for the hon. member is also shared by the Chair. However, I should not like the good nature of the committee to give rise to an occasion to infringe the rules. If the minister will accept the question, the Chair will certainly allow it provided it is not taken as a precedent.

Mr. Balcer: Mr. Chairman, the official opposition may love the hon. member and the C.C.F. may adore him but the government will still keep him on our side. I will be very pleased to hear him.

Mr. Henderson: There is a lot of construction going on in the Cariboo and thousands of men are going in there. There is an airport at Dawson Creek, but the planes fly over and do not stop there. We want the planes to stop there. A $400 million pipe line running out of that area is being built, and $400 million is being spent on the big Bennett dam at Hudson Hope. Surely we are entitled to air services in a place like that where $800 million is being spent. That is all I am going to say.

Mr. Pickersgill: Before the item carries, Mr. Chairman, may I say I am sure that if the quarter of a million dollars that is being spent on the other Dawson had been spent in Dawson Creek the hon. member's wishes could have been satisfied. But I know that is out of order. I am going to ask the minister something that really is in order. He said last night, as found on page 2100 of *Hansard*:

> One of the main sources of revenue—

The reference is to this air line that is now being subsidized out of the treasury.

> —was a mail contract. Unfortunately, this mail contract was terminated. I do not remember the exact date of its termination, but it was some time in 1960.

I am not seeking to blame the present minister in any way, but does this not indicate a deplorable lack of liaison between the minister's predecessor and the Postmaster General? The Postmaster General cancels a mail contract and forces the treasury to pay a subsidy to this air line to keep it going, and no doubt the post office is still transporting that mail in some other way and spending still more out of the treasury.

It seems to me this is a clear indication that the Minister of Finance, the chairman of the treasury board, is not exercising the vigilance he should be exercising over public expenditures. Maybe it would have cost a little more to carry this mail by air, but if that had saved us from giving another subsidy to this air line it would have saved the taxpayer's money. I think the minister should tell us how much the company got out of this mail contract, how the amount compares with the $300,000 we are being now asked to provide, and how much is now being paid for the carriage of that mail in some other way. Perhaps it is a little unfair to ask the Minister of Transport to answer that, but the parliamentary secretary to the Minister of Finance is in the house. We know how vigilant he is in all these matters, and perhaps he can answer that question if the Minister of Transport cannot.

Mr. Balcer: First of all I want to say for the Department of Transport that the subsidy of $25,000 a month is much less than this mail service would have cost. The Post Office Department had figured out that it was becoming very costly for them to use the air line for this service, and they decided to carry the mail by truck. The saving was greater than the $25,000 we are now paying to Pacific Western Airlines.

Mr. Pickersgill: You know, Mr. Chairman, in this matter, I am from Missouri and the minister will understand the sense in which I use that phrase. I was once acting postmaster general for a while and I know that some of these ideas that some people in the Post Office Department have on how to save money do not end up by saving much of the taxpayer's money. I would have thought that at least $25,000 a month in mail should have been carried in this way and the rest of it carried by truck, thereby reducing the cost of the trucking by $25,000 a month to the benefit of all concerned. No doubt some highly elaborate technical information could be supplied to show how silly that is, but it is not silly at all. If the treasury has to pay $25,000 a month as a subsidy for this service, surely there is some of the mail that could be expedited and this line could carry that amount of mail and at least give the public something in return.

I am not going to press my question, but I think this does show that that eternal vigilance, 18 hours a day, about which the Minister of Finance boasted in 1957, is now being given by him to other matters now rather than to the affairs of treasury board.

I have one general observation I should like to make, and again I am not blaming the present minister but his predecessor. I think the present minister is trying his best to clean up the shocking mess that was made by his predecessor with regard to this whole air service business by reason of the phony doctrine of competition that was spread around before the 1957 election. Nearly all the trouble of these secondary air lines, Pacific Western, Quebecair and all the others, stems from the abandonment of the policy of Mackenzie King and C. D. Howe which was announced in 1944 and which worked very well until the minister's predecessor wrecked it during his passage through the Department of Transport; and, according to the best information I have, wrecked it against the advice of the air transport board and against the advice of the experienced officials in his department. In my opinion, and it is only my opinion of course, he did so for what are usually described as purely partisan reasons having nothing to do with the public welfare. I must say that I hope the minister is successful in cleaning up part of this mess at any rate, of which this $300,000 is only a small element.

Mr. Balcer: Mr. Chairman, I am very glad that the member said in the middle of his remarks that he was expressing his own opinion, because I can assure him that this opinion is not shared by the great majority of Canadians. I also assure him that when I became Minister of Transport—

Mr. Martin (Essex East): Would that include the tribute that the hon. member paid to the minister?

Mr. Balcer: That was the only part in what he said where he was really on solid ground. All the rest was extremely weak. I think it is unfair to say that of my predecessor, because he went to work in the department in 1957 with the vigour we know he possesses, and he needed all that vigour to clear up the mess that had been accumulating there for 22 years.

Mr. Pickersgill: I have one further brief observation to make in reply to the minister. The minister is gallantly defending his predecessor and that is to his credit, but let

me add this. I will agree with the minister to this extent, that his predecessor did not make quite such a big mess in the Department of Transport as he made at Accra when he went there as Minister of Trade and Commerce.

Mr. Fisher: The hon. member for Bonavista-Twillingate has introduced a general criticism of air transport policy, and I would have appreciated a more substantive answer from the minister with regard to the whole question of the actions of this government, and particularly of the minister's predecessor, in opening up a competitive situation concerning the domestic air lines in Canada, with its subsequent catastrophe in terms of air line deficits. Today rather than having one successful national air line and a number of regional carriers, which previously seemed to be doing well, everyone is in the hole. I should like to deal with the words which the minister used last night, when he said:

—the air transport board has made a complete survey of all the regional carrier operations all across Canada starting with the eastern provinces.

What is the purpose of all these regional surveys? The minister says they do not inquire into airports, and by the way I am very pleased to learn that today there are four or five airports making money over and above their operating expenses and depreciation charges. I believe that two years ago there was only one airport doing that.

What is the intention of the air transport board with regard to these surveys? What are they trying to find? For example, are they just examining the present situation in regard to the provision of service to eastern Ontario, to Kingston, and whether it needs a subsidy; or are they trying to get an appreciation of what all these regions need and will need within the next year or two?

If the minister wants to be specific, what about northwestern Ontario? Has there been a survey there? What has the service provided by a United States line from Duluth and Minneapolis into the lakehead, got to do with the situation? Is it included in the survey? Are the surveys taking into account the regional carriers which do not have regular schedules and which are on a chartered basis? Is any appreciation being made of charter services to determine whether they should be encouraged to introduce a schedule service? Are such things being considered in order to develop this situation?

If this is the kind of survey which the air transport board is making, then I wonder how it can move without making some appreciation of terminal facilities and standards at the airports. Wherever one goes in Canada one sees places like Elliot Lake or the town of Atikokan which have not got proper services at the present time. They want them, but the main difficulty seems to hinge around airport facilities. I believe the minister should give us a more detailed appreciation of how all these regional surveys are dovetailing into the responsibilities of the air transport board. He should also tell us, as the minister who answers for the board, whether he has given any directions or made any requests to that board with regard to these surveys and their purposes. He need not tell me he has not got the authority to do this, because we have seen examples in the past of ministers of the crown holding his particular office giving instructions and asking the air transport board to do certain things. I would like to know whether he has issued any instructions or requests to the air transport board in connection with these regional surveys.

Mr. Balcer: I do not want to take up the time of the committee in describing all the various functions of the air transport board. However, when one considers the manner in which the air transport board proceeds in these general inquiries and in dealing with particular applications, then he will realize that its work has always been done with the utmost care. As hon. members know, representations are made by municipalities, boards of trade, chambers of commerce, industries and other public groups. These bodies make submissions to the air transport board, and the board also publishes advertisements in the newspapers. Anybody who has anything to say on a submission before the board is heard and so I would say that every air service authorized or refused by the air transport board is only authorized or refused after an extremely long and careful study of the matter.

It is also quite logical that the air transport board, before they make any decision authorizing a certain service to a certain community, will make sure that the service to be given that community will have the proper airport facilities for it. The two go together, but it is not the air transport board which decides the kind of airport to be built. This is a decision for the Department of Transport. All the air transport board does is decide on the carriers and on the services to meet the needs of the Canadian people.

In their present general inquiry they have had public hearings all across Canada. They have heard all kinds of representations from interested parties and individuals, and we are quite convinced that by the time this major inquiry has been completed into regional services an inquiry undertaken for the first time in Canada, the board will make recommendations to the government which should have a real, marked effect on the history of Canadian aviation.

Mr. Fisher: It seems to me the minister has indicated that the board, in making this survey, has some kind of a planning function. Could he give us any indication as to how his advisers on air matters are working at present in order to relate the total air picture to the regional studies being made? I know that is a very general question, but this will have to fit into a national scale of expenditure in terms of the provision of facilities. In other words, we might be trying to do too much in too many places at the same time.

Could the minister give us any indication to the effect that after these reports are made available to him we are likely to have a new kind of over-all air line policy from the government? I am not particularly fishing with an eye on the election, or anything like that. I would really like to know whether in a year, 18 months or two years the department will have the information and the plans so that not only the nation but even the regions and towns will know where they fit into the general scheme of things in air matters.

Mr. Balcer: As I said earlier, the air transport board has been directed by the Minister of Transport to make this survey and hold these hearings all across Canada. As soon as they have finished with their work, which I imagine will be in a couple of months' time, they will report to the minister. The minister will then consider their recommendations, and it will be up to the government to decide what part of the recommendations will be implemented. At the present time regional carriers are performing functions and rendering services. The air transport board hold hearings and makes decisions on various regional services. When they have completed this inquiry across the country, they have been asked by myself to make a report, and that report will certainly have its effect on the future policy on the matter of regional carriers. As far as the relationship between the policy on regional carriers and the over-all aviation policy of the government is concerned, this is a matter for the decision of the government when the report is before them.

(Translation):

Mr. Brassard (Lapointe): Mr. Chairman, I should like to put a brief question to the Minister of Transport concerning the government grant requested by the Quebecair company. Could the minister tell the house if he held discussions with T.C.A. representatives with regard to the possible withdrawal of that crown company from Saguenay airport, better known under the name of Bagotville?

Mr. Balcer: Mr. Chairman, I am constantly in touch with T.C.A. representatives regarding all matters likely to interest my department in its relations with that company. With regard to my friend's question, I wish to tell him that this matter was discussed on several occasions.

Mr. Brassard (Lapointe): Mr. Chairman, can the minister give us the assurance that T.C.A. will continue to serve the Saguenay district?

Mr. Balcer: Mr. Chairman, no change is expected at present as concerns that service.

Mr. Bourget: Mr. Chairman, as far as I am concerned, I have one last question to ask the minister.

So that everyone may understand what has happened in connection with air mail service, could the minister tell the house the amount of the contract passed between Pacific Western Airlines and the Post Office Department?

In addition, could the minister tell the house how much it costs the Post Office Department to carry the mail following the adoption of the present means of transportation?

Mr. Balcer: Mr. Chairman, my hon. friend will have to wait until Monday to ask the Postmaster General (Mr. Hamilton) that question because I do not have the information he requests. Only the Post Office Department can provide that information.

As far as we are concerned, the people of that area came to us and said: "Listen, we no longer have any air service and we need one." That is why we have paid a subsidy.

Mr. Bourget: Mr. Chairman, I think the minister must realize that the questions I am directing to him are very important, because we shall know whether or not the government was justified in making that change.

Not having the required figures at hand concerning those two air mail transport contracts, we cannot tell the difference between the two. I am not asking the minister to reply right away, since he said he did not have those figures at hand, but we shall probably have the opportunity, when we consider other supplementary estimates, to get a reply from the minister in order that we may know the difference between the costs in transportation.

(Text):

Item agreed to.

St. Lawrence seaway authority—

666. **Operating deficit and capital requirements of canals and works entrusted to the St. Lawrence seaway authority—further amount required, $1,291,400.**

Miss LaMarsh: Mr. Chairman, I should like to ask the minister whether, in view of the continuing representations from those interested in the reduction of tolls on the Welland canal, he has anything to announce respecting the reductions of these tolls. I am informed that within the past month or so the minister has received a brief from the St. Lawrence seaway development association and that some assurances have been given to that group that favourable consideration will be given this year to a reduction of the tolls.

Mr. Balcer: Mr. Chairman, as I said earlier in this house, we had a very interesting meeting with the association. They presented me with a brief, gave all kinds of explanations and brought forward the various factors which could justify the abolition of tolls on the Welland canal. At the conclusion of this meeting I gave them the assurance that I would personally convey their request to the government and that it would be given very close study and very serious consideration.

Unfortunately I cannot give the hon. lady an answer yet on what the government is going to decide; it is a complicated matter. However I can assure her that the government is giving very serious consideration to the matter.

Miss LaMarsh: Mr. Chairman, perhaps the minister will say whether the matter will be considered with a little more speed than has been the case in the past few years, particularly bearing in mind the repeated reports in the press that in New York state it is likely that an all-American canal will be built with a view to bypassing the Welland canal if the tolls continue.

I should hope that one of the oldest canals in the country, which has had a considerable amount of money spent on it through the years and which has generated a considerable amount of business for the people in my riding and in the other parts of the county of Welland, will not be allowed to go by the board because of any possibility that because of these tolls the United States will bypass it completely by constructing their own canal.

The Chairman: Shall vote 666 carry?

Mr. Fisher: No, Mr. Chairman. I wonder whether the minister could indicate what the estimated deficit is for the coming year in relation to the St. Lawrence seaway. I think it is fair to ask the question, since it has been apparent that the seaway has not been the financial success that had been anticipated; that is, it is running behind schedule. Also, as the questions just asked by the hon. member for the opposition indicated, there are very active pressures on hand seeking reductions in tolls, which would probably immensely increase the possibilities of a deficit.

For this reason I would like to ask the minister this question. If, for example, the thesis or argument being advanced by Admiral Mainguy was accepted in toto, would it mean the end of the conception of the St. Lawrence seaway as a revenue producer that would in the long run be able to pay itself off? I would like to ask the minister, is this one of the factors the government has under consideration at the present time?

Mr. Balcer: Mr. Chairman, there is no doubt that an abolition of tolls, a reduction in tolls or a new set-up of tolls would have quite an effect on the future financial picture of the St. Lawrence seaway. However, I am not a financial expert, and it would be pretty difficult for me to tell at this stage what would be the effect on the future financing of the seaway. But there is no doubt that any reduction in tolls or the abolition of tolls would have its effect on the revenue and expense figures of the St. Lawrence seaway.

Mr. Fisher: I have seen reports in the press that the minister's officials have been meeting with their United States counterparts in relation to the St. Lawrence seaway project as a whole. I want to ask the minister a specific question. Have any discussions been held, not with the United States seaway authority people but with United States cabinet or executive officials—I am thinking in terms not of the authority but of the President's executive—with a view to determining what the United States policy position would be if Canada decided either to abolish or to drastically reduce the tolls on the Welland canal? I ask this question because I assume it is a relevant consideration. If tolls are to be abolished the United States government must be consulted, because of the general agreement that there are certain balances when charges are made. I should like to have an answer to that question.

Mr. Balcer: There is very close co-operation between the two authorities, and I am sure that if anything were done on this side we would keep the Americans informed. As to whether there has been any discussion at cabinet level, I must say there has been none in the last few months.

Mr. Fisher: May I ask another question for information. Could a unilateral decision be made by Canada to abolish tolls on the Welland canal?

Mr. Balcer: I am really being asked there for a legal opinion. I would have to refer to the treaty. I would prefer not to give an opinion now.

Mr. Fisher: Could I ask the minister if he would provide me with an opinion in the form of a letter in the near future?

Mr. Balcer: I would pleased to do that.

Miss LaMarsh: With respect to the subject raised by the last speaker, I should like to ask the minister whether it is not correct that one of the bases upon which it has been urged for some time that there should be a reduction or abolition of tolls on the Welland is that the original treaty contained a somewhat vague description of the waters of the seaway which were to be included; there has been doubt, since the conclusion of that treaty, as to whether or not the Welland should be included, particularly as the twinning of the locks has not been completed and the funds which were to be expended on the canal were expended before the construction of the seaway.

For these reasons, the requirement of joint action by both countries may not, in fact, be applicable to the Welland canal. However, I assume this would require an adjustment of the tolls on the whole system from one end to the other, and I do not think it would be possible to do this unilaterally. If the minister does accept this suggestion—and he has indicated that there have been no high level discussions, or discussions at cabinet level, with opposite numbers to the south—may it be taken that there are no immediate hopes for the reduction or abolition of tolls on the Welland canal?

Mr. Balcer: That is not my opinion. I have studied this matter of toll abolition on the Welland canal. I am giving my personal opinion now, but I am convinced that the Canadian government would have the authority to do this without asking for approval from our counterparts in the United States. That is my personal opinion. Of course I speak subject to correction, but I think it is also the opinion of the association which met last month.

Mr. Robichaud: With your permission, Mr. Chairman, and the permission of the committee, may I revert to item No. 664? I asked the minister for certain information, and I think inadvertently I was given the wrong information. I asked the minister if the treasury board had approved a grant for the construction of the Bathurst airport in Gloucester county, and the minister said it had. I think the minister was incorrectly informed. A grant has been approved for the Charlo airport, but formal authorization has not yet been received in respect of the Bathurst airport although the project is under consideration by the minister's department.

Mr. Balcer: That is correct. I was misinformed.

(Translation):

Mr. Bourget: Mr. Chairman, I do not rise to ask the minister a question but merely to say how we, on this side, regret the absence of the member for Stormont (Mr. Campbell) who is always pleased to find fault with this wonderful achievement, the St. Lawrence seaway.

(Text):

Item agreed to.

The Chairman: That completes the supplementary estimates for the Department of Transport.

PRIVY COUNCIL

Emergency measures—

652. Administration and operation of the emergency measures organization—further amount required, $261,500.

Mr. Pickersgill: I think perhaps, as it is almost one o'clock and as the Prime Minister is not here, we should call it one o'clock so that the Prime Minister can be here for the discussion of this very important matter having to do with the survival of the Canadian people.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Pitman: Mr. Chairman, this vote is related to the general administration of the emergency measures organization. This subject which has received more comment across the nation than any other is surely deserving of some attention in the committee at this time when the supplementary estimate for the privy council is before us. There is probably no subject more serious and perhaps more distasteful than the problem of civil defence and preparation for thermonuclear war. There is no estimate in the blue book or among the supplementaries which it would be more easy to criticize and ridicule than that relating to privy council, yet it would probably be the one in relation to which it would be hardest to put forward any substitute for what has already been done.

I am sure all hon. members realize that the preparations which are being made at the present time depend upon a tremendous number of variables. So far, at least in this country, we have not made an investigation of the variables and the direction in which our efforts should be directed. We do not know how big an attack we might have. We do not know essentially whether it would be by bomber or I.C.B.M. or what the effect would be of an attack on the North American continent by nuclear submarine. We do not know whether the enemy would attack our cities, our military establishments or our communications. We do not know whether there would be a single first strike or whether in an atttack on the North American continent there would be a series of strikes assuming that the enemy had a great degree of mobility in its attacking instruments. We do not know whether there would be an all-out nuclear war or some kind of limited nuclear war, assuming the nation receiving a certain amount of punishment would wish to negotiate peace and therefore forestall a certain amount of destruction. We do not know whether the main emphasis would be by a blast or a series of concentrated blasts or whether the enemy would rely upon the effects of fall-out.

With as many variables as those I have outlined and others which may occur to hon. members I submit in all humility it is difficult to decide exactly what efforts should be made in the field of emergency measures. As the Prime Minister indicated when he introduced the related main estimate last autumn, speculation on this subject has ranged the spectrum from the attitude of Nevil Shute who sees virtually no existence or life on the planet after a thermonuclear war to the equally ridiculous position adopted by *Life* magazine which assumes that by taking a few simple precautions 97 per cent of the population would survive without severe ill effects. Somewhere between these two fantastic positions at opposite ends of the spectrum we must adopt a position that has some reality.

What must be done is to determine how this can be done. Across this country there has been active questioning about what we have done so far. As I have said, it is easy to ridicule in this area. One has only to consider the number of variables in relation to the kind of attack and the kind of war which might take place and it is easy to ridicule the program introduced by any government or individual. As it now stands the Canadian people are extremely concerned and for proof of this one has only to examine the facts and figures.

[Mr. Pitman.]

Following exercise Tocsin last autumn there was much publicity concerning the fact that under the terms of the National Housing Act it was possible to make application for allowances for the construction of fall-out shelters in new homes. What has been the result across the entire nation? The figures for the provinces are as follows:

Number of N.H.A. loans, for new houses which included allowances for fall-out shelters, to January 31, 1962.

Newfoundland	1
Prince Edward Island	nil
Nova Scotia	nil
New Brunswick	1
Quebec	30
Ontario	13
Manitoba	2
Saskatchewan	1
Alberta	11
British Columbia	3
	62

As all hon. members realize the value of N.H.A. home improvement loans for the construction of shelters has been given some publicity in the press. It was hoped that because of the emphasis placed upon the construction of home shelters by this government through the distribution of pamphlets and newspaper publicity people would take advantage of this means of constructing shelters. What have been the results across the country? The figures are as follows:

Number of N.H.A. home improvement loans for fall-out shelters, to January 31, 1962.

Newfoundland	nil
Prince Edward Island	nil
Nova Scotia	nil
New Brunswick	4
Quebec	17
Ontario	27
Manitoba	2
Saskatchewan	10
Alberta	18
British Columbia	16
	94

Only 94 Canadians have taken advantage of N.H.A. home improvement loans for this purpose and only 62 have made use of the provisions in relation to the purchase of new homes in a country with a total population of approximately 18 million. I am not saying that these are the only shelters that have been built. Obviously others would have obtained money for this purpose through normal channels and some would have built shelters from their own reserves. But I am sure the government would not claim that a substantial number of people have taken the advice of the government in building shelters.

The Ottawa *Citizen* of March 13, 1962 reports the attitude of Premier Roblin of Manitoba:

Premier Roblin told the Manitoba legislature Monday he has decided he won't recommend shelters to the public.

Premier Roblin is reported to have said:

I don't think we've had sufficiently clear directions from federal authorities to make me enthusiastic about building more shelters or putting them in public buildings.

That is the position of Premier Roblin. Surely of all people in Manitoba he should be the one most concerned about emergency measures.

Let us turn now to Saskatchewan. In an article dated November 19, 1961 by Patrick O'Dwyer which article emanated from Saskatoon it is stated:

Saskatchewan's farmers are bristling with annoyance at what they consider an inept federal Department of Agriculture pamphlet designed to help them fight fall-out.

I realize this does not come under the item we are dealing with but it is part of the picture of confusion and concern. I continue:

The reason for the farmers annoyance is that the Ottawa pamphlet is of no real value in helping them prepare for survival. Many of them have complained that instead of being helpful it is a study in futility. This blueprint, of which 200,000 copies have been printed, is a dud.

The Peterborough *Examiner* of November 29, 1961 carried a Canadian Press dispatch from Edmonton under the heading "Fall-out Advice for Farmers 'Fantastic' ". It reads in part as follows:

Ed Nelson, Alberta farmers' union president, described as fantastic Tuesday a dominion agriculture department pamphlet designed to help farmers fight fall-out in the event of nuclear attack.

The Ottawa booklet says:

"After heavy fall-out you may be advised to plow the topsoil under so as to bury the fall-out as deep as possible before seeding or planting."

United States government scientists have said the ill effects of fall-out would continue to contaminate plants for years if the affected topsoil were plowed down, Mr. Nelson said.

Mr. Nelson said most of the directions are so impractical "that many farmers after reading the pamphlet are apt to throw their hands up in horror—"

In dealing with this matter last September the emphasis in both Canada and the United States was on the construction of individual shelters. Protection thus depended on the means of individuals to construct shelters in their own basements. At that time hon. members of this group were somewhat critical of the fact that the building of shelters should be related in any way to the means of the individual to undertake this construction. Similar criticism was made in the United States and since last September the emphasis has changed from the construction of individual shelters to the construction of community shelters. A recent press release from Washington indicates that under the program of the Kennedy administration fall-out shelter protection for virtually all United States citizens will be provided within five years at a cost of between $5 and $6 billion with the federal government contributing approximately $3 billion. In Holland the Dutch government plans to construct 400 community shelters in 1962. Each shelter will have room for 100 persons. There are presently 262 shelters in the Netherlands with room for 50 persons in each. The country's population is more than 11,500,000.

Then this last fall we had the Canadian municipalities arguing in a brief to the government that the cost to carry on a national program of fall-out shelter construction will be enormous but that the cost of not doing so may be completely disastrous. It seems to me that this is an area in which the dominion government has a responsibility. Surely throughout the history of mankind the defence of its citizens has been of importance and surely this is about the only area about which you can use the word defence in its true meaning, that is the defence of the life, freedom and the security of people of this nation. I am afraid this is an area to which we have given too little time and thought and emphasis at the national level.

I should like to read from a book which is certainly more attuned to the posture of other parties than is this one. It is a book by James Eayrs called "Northern Approaches". His position is that we need this for the first time, that we cannot as I stated, give partial service to the people of Canada. There has not been any great enthusiasm for what the government has been doing now. Perhaps this is because they did not have sufficient knowledge about this matter. One of the things I think we need in this country is some kind of committee on defence which could solve the problem, which could deal with the problem, which could bring witnesses and allow this house to deal with this problem. It is very easy to say that. Last September the Prime Minister said, when he was discussing this problem, that these scientists who are in the know are those who know something about it. But the problem is that those who know seem to be the ones who are creating the most confusion. You have one physicist disagreeing with another physicist. I am suggesting now that Iowa physicists were attacking Dr. Willard Libby who has suggested certain measures for survival in case of atomic attack, by saying this:

It is extremely dangerous to give the impression to the public that the building of fall-out shelters will enable the average citizen to survive a nuclear war.

These are the remarks of James Eayrs in his book "Northern Approaches" at page 20:

It is a tremendous affront to the people of this country that such knowledge as is available of the chances of survival under atomic attack has not been placed squarely before them by their own government. A Canadian citizen, desiring the

opinion of experts about the effectiveness of the new weapons and the prospect of defence against them, must turn to the testimony of British and American witnesses before committees of their legislatures provided for that purpose. During the debate on defence policy in the last parliament, Conservative critics argued powerfully for the creation of a House of Commons standing committee on defence similar to those now functioning at Westminster and Washington.

Then he goes on to say that this party is in power. More than ever before we need some kind of committee to give us the different opinions of experts in this field so that we can take a national approach to this problem of national survival. I think that one cannot quarrel with what has already been done by the emergency measures organization. I think one would be wrong not to suggest that a great many devoted people have given a tremendous amount of time and energy to the work of this organization. I think they are doing the best they can on the information they have and the money which is made available to them. I will admit that only over the last year we have had a real focus on this matter or any real sense of proper perspective in this field of emergency measures. However, as I say, we still have not captured the Canadian people in this matter in any way whatsoever in terms of the number of people who are taking the advice they have been given by this government.

Last fall we held a civil defence exercise known as Tocsin B. As I said, I have the greatest respect for the emergency measures organization but I think we should not use this organization to project the number of variables in this matter which have no actual reality. For example, after the Tocsin B exercise ended last fall the Prime Minister announced that some 4 million people had been killed or that 3 million or 4 million had been killed as a result of that simulated attack.

Miss LaMarsh: And he was one of them.

Mr. Pitman: One of the hon. members suggests that the Prime Minister himself was one of those who was killed. However, that is irrelevant to my argument. The point is that after this simulated attack the Prime Minister said that some 3 million or 4 million had been killed. If all the facts were brought forward in terms of what kind of attack it was, I think we would realize that this was not a group of variables which would be likely and therefore this number of people killed does not really come down to reality as the number who would be killed in a thermonuclear attack in the circumstances we have read about. For example, there were only 17 weapons dropped with a total megatonnage of some 75. All the bombs were from one to five megatons or only one was of 10 megatons. Yet Mr. Khrushchev himself has said that he would certainly use the largest size weapon he is capable of using.

The whole problem is not the number of megatons a country has at its disposal. It is a problem of getting them there. The United States authorities state that every bomber S.A.C. has could carry the 100 ton bomb that Mr. Khrushchev had exploded in Siberia last fall. I realize that certainly a 20 ton megaton bomb is not 20 times a one megaton bomb but it is sufficiently great in order to have great effect. In a full scale attack on North America it is not a realistic variable on which to say that a certain number of people will be killed.

Mr. McGee: Will the hon. member permit a question?

Mr. Pitman: Yes.

Mr. McGee: He has suggested that certain assessments were unrealistic. Will he give us his assessment, which presumably will be realistic?

Mr. Pitman: At the beginning of my speech and during it I think I simply stated that there are a tremendous number of variables which no one can determine. I think the most unrealistic thing is to state any number of people killed on the assessment of a simulated attack. If the hon. member will listen to what I have yet to say, I think he will find that the number that was assessed is not realistic in the kind of thermonuclear attack which is envisaged.

Mr. McGee: What is realistic?

Mr. Pitman: If the hon. member will listen maybe he will learn. Only six bombs were delivered by I.C.B.M.'s, it was suggested in the simulated attack. There was not one single bomb that was dropped by mistake. There were no Russian bombs which were directed at United States cities and which ran out of fuel. I am sure we have a great deal of admiration for Russian technology but surely it is not quite that good. In addition, no assessment was made of the number who would be killed during the interception of bombers over our territory by our Bomarcs. Perhaps this is realistic, but none the less it is not included in the assessment of those who would be killed as a result of a thermonuclear attack on North America. There is no account of any nuclear devices released from submarines, one item which is suggested here.

You have a group of variables for the smallest possible attack which could be deposited, if it could be deposited at all. For example, there were only 350 individual aircraft attacking. On the knowledge we have

of the number of bombers the Russians have —and this is brought before both the houses of parliament and congressional committees —is this realistic in terms of the total attack which could be made? As I have said, there are a great many variables. I realize that it is not easy to deal with this matter. However, I suggest that it is wrong to assume and to tell the people of Canada 3 million to 4 million people will be killed in a thermonuclear attack unless you are assuming a set of variables which has some relation to what we know of the variables present in various other systems of government. For example, here is another thing in terms of the number of bombs which undoubtedly will be unleashed on the United States; and yet in the whole population of Canada there were only 180,360 radiation sickness casualties as a result of the nuclear explosions in the United States. Is this realistic in terms of the kind of attack which would take place? I think the position we have taken so far has not worked out. We have not got the Canadian people aroused about the problem of emergency measures. A great many people, of course, feel that they do not want to survive a nuclear attack. Indeed, the Secretary of State for External Affairs has said as much, and I refer to a newspaper report of a speech he made in Victoria in which there is the following:

> It wouldn't be worth surviving a nuclear war, external affairs minister Green told the Victoria branch of the United Nations association Thursday night. Civilization would be "blown apart", and the end of the war would mean a "return of the dark ages", said Mr. Green. "Many would survive of course, but I doubt if it would be worth surviving. We must learn to live together."

I think the problem is that if we are going to survive we should be surviving together, and I do not think the Canadian people are very much enthused about the idea that we can build shelters singly, that those who have money should build shelters whereas in the case of those who do not happen to have homes and who happen to live in apartments or in blast areas obviously no shelters are possible. There are so many other areas where the problems would be even greater in terms of getting shelter.

Nor are the people very enthused when they receive so much information that is in direct conflict with what they receive through official government channels. For example, I think a great many hon. members are familiar with *Consumers Reports* which publishes information on a great many different products. These articles are published by an organization which has no advertising interest in the products involved and therefore they carry a degree of reliability which a great many people in this country and indeed in other countries respect. What does *Consumers Reports* say about fall-out shelters?

> —the fall-out shelter, which is the specific kind of protective device around which our great debate has centred, must be distinguished from the blast shelter. The essential difference between them is that a workable blast shelter, which would provide great protection if one could be devised, really does not exist in the nuclear age; while a fall-out shelter, which can be devised very easily, really does not work.
>
> This generalization, like all generalizations, can be made to yield exceptions. For, given the proper conditions, anyone can devise a shelter which would work to some extent. The trick is to get the conditions, and whether anyone might get them unfortunately is not known and is largely unknowable.

The article goes on to point out that really the individual fall-out shelter is not insurance protection as we have been talking about it, but rather is a bet. It is simply a bet exactly like a bet on a horse race. What you have to assume is that this series of variables will come together in such a way that your particular shelter will protect you from a certain amount of fall-out. But the point is, and a great many scientists have been indicating this, that this group of variables is not very likely to occur so far as fallout shelters are concerned and a great many believe that the only way we can meet the problem is through community shelters built at public cost.

The cost of such a program in Canada would be fantastic. Probably in no country in the world would it cost more in view of the size of our nation and the way in which our people are spread about. But surely this is the problem about which the people of Canada are concerned and which we are not meeting with any kind of conviction. We are just doing something. We are not sure at all whether that something has any relation to what the danger really is.

If we do develop a shelter program, and here I bring the committee back into focus again, we must deal with a great many problems. Will this develop a war psychosis? Will it enfeeble our desire to prevent war? Will we spend money and energy on shelters when it could be spent on programs to alleviate the tensions which create war? Will we lose our democracy in the very act of defending it?

The debate that took place in the house a couple of nights ago was in my opinion rather interesting and illustrates exactly what we are saying. The Minister of National Defence said that they cannot do anything about these people who graduate from our survival courses, that they cannot keep track of them because this is a form of conscription and because our system of government and democracy deny the right to keep track of these men. Members of the opposition and to some

extent those of us in this group kept saying that national survival is a national problem, a problem serious enough that we should give consideration to the question of freedom for this group who are taking these courses in order that we may have them ready in case of a national emergency. This is the kind of debate which is going on all across the nation and the problem is one which I think it would be well for us in this chamber to consider.

Is it simply going to create bureaucratization? After all, once you get a group of people involved the thing is going to escalate. You will have all kinds of people in it who will not be involved in the building of shelters. The thing becomes irreversible. What effect would this have on the promotion of war?

Some people are convinced that the Russians have a very highly developed system of civil defence. I have an article here published by a highly regarded journal, the *New Republic*, which suggests this is not true at all. On the other hand, there is an article in this morning's *Globe and Mail* which suggests there is a great deal of feeling that this may be true. I think this is a question which we should be considering before we go any further in dealing with fall-out shelters.

What effect would it have on our allies, on nations such as India and the nations of South America which have no possibility of building fall-out shelters or protecting themselves from nuclear blast? In concluding my remarks because I see my time is up, may I say I have nothing but the greatest sympathy for those who have to deal with a set of variables which are so difficult as those concerned with emergency measures, but I suggest that unless we take a national look at the problem and get some kind of national purpose in this chamber I do not think we are going to have very much effect on the building of fall-out shelters or, indeed, in any other area of activity going on under this program.

Miss LaMarsh: Mr. Chairman, there are a couple of questions I want to put to the Prime Minister. This vote, of course, is for a further amount required for the administration and operation of the emergency measures organization. It may be recalled that last year the Prime Minister, who had had it brought to his attention that there was another unfulfilled promise of his lying around, caused a committee to be set up to study the War Measures Act and the bill of rights and to report on any possible amendments. That committee was thrown together in a hurry in June. It sat three times very briefly and has not been heard of since.

[Mr. Pitman.]

At the time the Clerk of the Privy Council was called before the committee and a number of things were discussed respecting the emergency measures organization. There was one matter which caused me considerable concern, and this has been the first opportunity to inquire of the Prime Minister or of any other responsible person with respect to the answer. As found on page 41 of the proceedings of the committee on June 28 last, Mr. Boyce, the Clerk of the Privy Council, was explaining to the committee the difficulties involved in such exercises as Tocsin I and Tocsin II. He pointed out to the committee that the question of how to bring the War Measures Act into force was of great importance, and part way down the page he made this statement with reference to Tocsin I:

> We tried out, in this exercise which we had in May, how long it took us to get the War Measures Act proclaimed in a legal way; and, from the time the Prime Minister received warning from the chiefs of staff, until we had the proclamation sealed by the great seal—

I draw particular attention to those words.

> —it took us 23 or 24 minutes, or something of that kind.

First, I wish to know whether in fact there was any proclamation sealed. As I understand the situation, the only authority that this or any other government has to issue such a proclamation is that found in the War Measures Act which contains these words in section 2.

> The issue of a proclamation by Her Majesty, or under the authority of the governor in council shall be conclusive evidence that war, invasion, or insurrection, real or apprehended, exists and has existed for any period of time therein stated—

There is absolutely nothing, of course, that permits anyone to have a mock war or trial war. It would appear to me that under the authority of this legislation there has to be a real or apprehended emergency and not a trial in order to put any machinery into operation. Indeed, this appears to have been the opinion of the Clerk of the Privy Council who explained that some means of bringing the War Measures Act into effect had to be ascertained. I do not know whether any such means has been arrived at by the government. If so, I hope the Prime Minister will favour the committee with such information.

I put a question to the Clerk of the Privy Council as to what was done in the United Kingdom and the United States, and he informed me that he did not know. Mr. Currie, the head of the emergency measures organization, also was a witness and he did not favour that committee with the answer. Perhaps the Prime Minister knows what they do and what might be done in this country.

The Clerk of the Privy Council, who is charged with responsibility for this matter, pointed out that in circumstances such as a possible nuclear attack it would be necessary to disperse the government as well as disperse parliament so that there would not be a target presented to any potential enemy. However, if of course it takes 23 or 24 minutes to get the proclamation signed—and elsewhere during the committee proceedings the clerk had indicated that a missile attack might take 20 minutes and would not be preceded by a mass of planes and I.C.B.M.'s whereby we would have intelligence that an attack was coming—then we could not get on a war footing. The Clerk of the Privy Council knows what is going to happen, but even with parliament sitting it would take five or ten minutes beyond that safety factor of 20 minutes to get the proclamation signed because it is necessary that there be some legislative authority for the government to act.

I suppose the reason why this house has not had another committee set up this session is because of the deepening threat over Berlin last summer and fall when the government thought it might be necessary to have the war emergency powers which the last government required to use in a national emergency. I suppose the Prime Minister thought that trying to marry a horse to a cow, which is what we were trying to do in this committee by saying that in an emergency the state must be paramount and on the other hand a private individual's rights are paramount, then this philosophical discussion would have to remain until such time as there was no emergency.

If by reason of the fact, as the clerk said, that this declaration was certified by the Great Seal and signed by His Excellency, I would suggest to the committee that at that time we would be on a war footing in this country, but I would like to know what makes the Prime Minister and the executive branch think this.

Recently we had a second Tocsin exercise, and under the E.M.O. a great deal of money was spent which had already been voted by this house for the purpose, among others, of protecting the executive branch. No one would deny that it would be absolute anarchy to have an attack come and have the cabinet, who must decide the policy of the country, live in a place where they would be blown up. If that happened there would be complete and utter chaos.

We have read speculation in the press, indeed it is more than speculation, that there is a point to which the members of the cabinet will be taken. It has been referred to as the "Dief Bunker" among other things, and ostensibly it must be somewhere in the Ottawa area. It was a great shock, however, to everyone in the country when Tocsin II took place when the Prime Minister, who is the Prime Minister to direct any operations and direct emergency measures, is not in this special place built at the cost of the taxpayers but is instead sitting with his dog on his lap and his wife's hand in his hand, in his own home.

Mr. Pallett: On a point of order, this is just another illustration of the type of thing that the Liberals are building up—

Mr. Martin (Essex East): That is not a point of order.

Mr. Pallett: I have sat peacefully—

Mr. Martin (Essex East): On a point of order—

Mr. Jones: The parliamentary secretary is on a point of order already.

The Deputy Chairman: Is the parliamentary secretary rising on a point of order?

Mr. Pallett: Yes, I am. I sat and listened with—

Mr. Martin (Essex East): On a point of order, he is not stating his point of order. This is a speech.

The Deputy Chairman: I have no way of knowing whether or not the hon. parliamentary secretary is stating a point of order until I hear him out.

Mr. Pallett: Mr. Chairman, I sat and listened patiently to this debate. The particulars of the item under consideration refer to informational publications and the debate has ranged far wide of that. I think the committee appreciated your general attitude of permitting a broadening of debate, but I suggest to you, Mr. Chairman, that the type of speech that is presently being made by the hon. member for Niagara Falls is entering into personal attack, for which the Liberal party is now becoming quite famous.

Miss LaMarsh: On a point of order—

Some hon. Members: Sit down.

Mr. Pallett: It has extended beyond—

Miss LaMarsh: On a point of privilege—

Mr. Pallett: —beyond the rules of the house that have permitted a fairly wide debate on this limited item.

Miss LaMarsh: I attempted to rise on a point of privilege which the Chair apparently did not hear. I made no personal attack and I resent the Prime Minister's assistant saying so. I made an attack on the office of the Prime Minister by saying it was not in the

place provided for it by the people of this country, under vote or appropriation, to protect the country should there be a nuclear attack. I made no reference to the person of the Prime Minister at all. It was to the Prime Minister's office being removed from that place where it should be with the other officers of the cabinet.

Mr. Pallett: Perhaps the hon. lady would indicate by telling us—

The Deputy Chairman: I think I shall just intercede voluntarily to state that in my opinion to some extent I think the parliamentary secretary had a point that was reasonably well taken. I heretofore allowed a fairly wide ranging discussion on this item which has to do with the administration and operation of the emergency measures organization. The word "administration" led me to leave a fairly wide basis for discussion. However, I think at this point I should caution hon. members to try and hold themselves fairly close on the track.

Miss LaMarsh: I did not mean and I did not ascribe to the Prime Minister anything improper as the present incumbent, but I wish to state that I do believe any incumbent in that office has no right in time of national emergency to be other than with his cabinet directing the affairs of his country.

I am particularly interested in obtaining from the Prime Minister an answer to the problem I originally raised. What authority has there been under which the emergency measures organization, and in particular Tocsin I and Tocsin II, have been set in force? What, in fact, has been done with respect to the orders in council? Will the Prime Minister table the two orders in council for Tocsins I and II to indicate to this house how he acted and under what legislative authority?

This matter has been raised with me by constitutional authorities, constitutional students, who are concerned whether in peacetime a government may on its own choice enter into such measures without having parliamentary authority to do so. As I understand it, there is no act of this parliament which has given the government such authority. However I understand what was said by the official of the cabinet who was charged with it that this problem remains to be solved and will be solved before there might be any emergency. Hon. members know that we could have been faced with such tension over Berlin.

We have not discussed this in committee of this house since June of last year. Now almost another year has gone by. Perhaps the Prime Minister would tell this committee whether the executive has such a committee set up to work out this problem, or whether he has worked it out already within his own office, and whether any legislation has been drafted which would make the War Measures Act automatically come into effect.

I am informed that it does not automatically come into effect unless the cabinet has a declaration issued and signed by the Queen's representative, and that means that the government then, under authority of the statute, can operate in an emergency situation. I would be grateful to the Prime Minister if he could favour the committee with that authority.

Mr. Martin (Essex East): Does the Prime Minister not think he should make a statement? Earlier I thought he was going to initiate the discussion.

Mr. Diefenbaker: This is purely for information services.

Mr. Martin (Essex East): Is it not the Prime Minister's intention first of all to answer the questions of the hon. gentleman?

Mr. Diefenbaker: I do not want to deprive the hon. gentleman of the opportunity to give the committee the benefit of his views.

Mr. Martin (Essex East): I am sure the Prime Minister is one of those who could profit by views which come from this side of the chamber.

Mr. Diefenbaker: Not from the experience on the part of the hon. gentleman.

Mr. Martin (Essex East): I would have thought, in view of the fact that we have not had a statement from the Prime Minister, who really is in charge of all civil defence operations as chief co-ordinator, we would have had from him a report of what has been done in this important but difficult field since we last met. The Prime Minister, however, has chosen to confine himself, as his observation of just a few moments ago indicates, to questions involving information services, the direct matter involved in the specific vote before the committee.

Mr. Chairman, the committee will of course appreciate that the information services of civil defence, the pamphlets, the publications, the films and so on, deal with every aspect of civil defence. While one does not want to abuse the area which you, Mr. Chairman, envisage for discussion, it is difficult to conceive that we could have an adequate discussion even of this particular item without traversing in a general way, as the hon. member for Peterborough so ably did, the whole matter of civil defence.

I do not propose to embark on idle criticism because this is a very difficult question, and this was noted by the hon. member for Peterborough. This is too important a matter to permit idle criticism to dominate what one has to say. This does not mean that there are not some things that should be put forward which are agitating the public mind. We must recognize that the difficulties which attend the formulation of civil defence policy are being experienced in countries other than our own, but I think it is only fair to say that, particularly since we last discussed this matter in the house, there is throughout the country, rightly or wrongly, among the people and on the part of those holding office in provincial and municipal governments a feeling that more direction should come in certain aspects of civil defence activity than is now the case.

The premier of Manitoba indicated recently that because there was no clearcut policy as to shelters, he was no longer going to use the private shelter which he had built, and he was not going to encourage citizens of the province of Manitoba to engage in the construction of shelters. I asked the Prime Minister a question about this last week; I asked if he had any comment to make on this statement by the premier of Manitoba. The Prime Minister said he had not seen the statement and on that account could not make a reply at that time. I think it will be expected of him that before we reach the hour of five o'clock he indicate if there is any ground for the action taken by the premier of Manitoba.

Last year when we discussed this problem of public shelters, the Prime Minister stated that the government believed, and I think rightly so, that a considerable avoidance of human destruction and suffering could be avoided by the use of shelters. I think that is a valid statement. I notice that only the other day Mr. John Gelner, a specialist in this and military fields, said that those who opposed the use of shelters under private or public auspices are simply engaging in an unmistakably irresponsible course. The question is not whether we can relieve ourselves from damage in the event of thermonuclear war by the use of shelters, but whether we are going to have a shelter policy that is non-discriminatory. That really is one of the important issues at this time and it is being discussed in the country.

The government has not indicated that it proposes to give any financial assistance in the building of public shelters. That was the statement of policy of the government given by the Prime Minister when we discussed this matter in 1961. We have a right to ask the government if that continues to be the government's view. Is it simply going to continue to encourage, through publications and through the information services, the Canadian people to build basement shelters or shelters above the ground? Is it going to provide for loans under the existing arrangement? Is that the extent of the policy? We are entitled to know what the government proposes to do about this. We are entitled to know this particularly because in the United States there has been, as the hon. gentleman for Peterborough pointed out, a change of policy.

When we discussed this matter last year the Prime Minister was in a position to say that the United States were pursuing a policy of encouraging the American people to build their own shelters and that shelters could be built by private individuals at various prices, but down to a figure manageable for certain income groups. Since that time, as I say, a change has been made in United States policy. The President of the United States announced that the government of that country was going to engage in a program of assisting in the building of public shelters and they were going to spend a considerable sum of money toward reaching that objective.

Is the government going to continue with the policy enunciated last fall, or is it going to do what has been done in the United States, where the government of that country in the month of December announced a program of $700 million to build community shelters for 20 million people. The money under that program is to be spent in a 12 month period starting July 1, 1961 and a major share of the shelters under this program is to go to schools, universities and other non-profit institutions.

As I say, this marks a sharp reversal in United States policy. It no longer makes the provision of shelter the responsibility of the individual citizen; the government of that country now accepts this responsibility, and this proposal appears to be the first step in a much larger program. What is the attitude of our government?

Mr. Diefenbaker: Has that received congressional approval?

Mr. Martin (Essex East): I think it is still being discussed in congress, but it went from the president to congress. I think I saw something only the other day about there having been an increase in the amount proposed. The president proposed $700 million and I think it was Senator Douglas who has almost doubled that amount to take care of a much wider area of shelters.

In any event, this shows that in the United States there is some recognition by the executive of the argument that is made; that is, we are all going to have to face the same danger and no one should be given a privileged position because of his or her financial capacity to provide a shelter, something that might be denied others not so fortunate to possess resources which would enable the building of a shelter in a residence or place of business. Certainly, in principle it is difficult to resist the suggestion that if we think a shelter policy is desirable there should be a policy of non-discrimination so that every Canadian, particularly the younger people and the older people, should be afforded an equal opportunity, regardless of their economic resources, to receive the protection which would come from a shelter program sponsored and financed by the government of the nation.

The Prime Minister has observed that an adequate program of public shelters would cost between $4 billion and $5 billion. I think the hon. member for Trinity, who has given this matter a good deal of thought, suggested a much lower figure when he spoke on this subject last year. In any case, this is a large sum of money, and the government must take into account, in the light of its other obligations, whether or not such a program should be undertaken. My own view now is that if the government feels that the scientists have satisfied it that protection can be provided by shelters, we must now at least begin to embark on a program of public shelters based on the principle of non-discrimination. The extent to which this program will be developed must be decided by the government, because it has information not available to the rest of us, besides having responsibilities which do not belong to all of us.

The government, then, will make that decision. But the government is entitled to receive from us an indication of what we feel is the course it should take. I think the reaction of Premier Roblin will impress the Prime Minister with the frustration which many people have—a frustration which is not entirely due to the way in which this problem is being handled by the government, but is due in a large measure to the inherent character of the problem itself. However, the government cannot escape its share of responsibility for not giving clearer guidance in certain particulars, and I suggest to the Prime Minister that it is not fair to the premier of Manitoba, and it is not fair to the development of civil defence policy for the Prime Minister of the country, who has such heavy responsibilities, to be himself the co-ordinator of the entire program of civil defence. It is just not possible, in my view, for one holding the office of prime minister to be in charge of civil defence over three other ministers, who have a shared responsibility in civil defence policy.

I said a moment ago it was up to the government to determine if we should embark on a program of shelters under public or private auspices. I say I now believe strongly that we should have public shelters. I am not saying to what extent. I would have to give further thought to that in the light of views expressed by those who are authorities on this matter; but some of those who are within sound of my voice know that we have had some discussions on this question recently. But we are entitled to be told by the government if a program of shelters will do the job or not. For instance, Dr. Waldemar Sackston, professor of entomology at Macdonald College, who participated in a public discussion on this subject with the parliamentary secretary to the Minister of National Defence has stated he is concerned about the program in Canada stemming from one in the United States. The report quotes Dr. Sackston as follows:

> He said serious under-estimation of the casualties that might come from a nuclear attack was deluding the public into a belief in the possibility of survival.

And, later:

> People in shelters stand no chance of being rescued because there would be no one to rescue them.

What is the considered opinion of the government in this regard? That was not its opinion a year ago. I suspect it is not its opinion today. But we are entitled to have a clear direction as to the value of shelters and the protection they afford.

Then we should have from the government, I think, as they recently had in England, a clear and unequivocal statement as to evacuation. Evacuation was the policy in Canada until four or five years ago. It was originally the policy of the United Kingdom, though it was for a while abandoned there. I understand the United Kingdom has recently gone back to the position that evacuation as a policy is not to be considered as having been abandoned. Some people believe that evacuation represents the effective form of civil defence. Is that the policy of the government of Canada? It is important that we should have direction along these lines. Only in today's paper we saw a report in the *Globe and Mail* on the first page, from Mr. Topping under a Moscow dateline, indicating that western observers have found what they believe to be evidence of an extensive system of bomb shelters in a number of cities in the Soviet union. The article goes on to indicate that some of these shelters obviously represent a policy which was developed in the

atomic period as opposed to the present nuclear period. But more lately it appears that the Soviet union has embarked on a policy of providing shelters for school children, for university students, for the aged, for certain classifications of workers and the like. Does the government believe this to be the case? Should we embark on such a program, or seek to emulate it. We know, of course, what has been done in countries such as Sweden. We know that a long time ago Sweden embarked on a program of public shelters. This has been discussed in the house on many occasions. I think it is generally recognized that there were special provocations in the case of Sweden, because of that country's propinquity to the Soviet union and the value that such shelters would have over and above their protective qualities.

These are questions which are in the public mind. We have a right at this time to ask the right hon. gentleman, who is the coordinator of civil defence, to tell us what is the latest thinking of the government on this subject and the extent to which the government believes it should participate in the financing of a public shelter program—the extent, also, to which it believes that the individual should relinquish these responsibilities.

Criticism has been directed by the hon. member for Peterborough against the exercise Tocsin B, 1961. In that exercise, close on 2,600,000 Canadians were presumed to have died from the immediate effects of blast, while another 1,600,000 were presumed to have been injured. It was also assumed that many of the injured would die later and that a further undetermined number would die as a result of the effects of fall-out and lack of shelter. There has been considerable criticism of this exercise. I know it is easy to criticize an exercise of this kind. I do not intend to indulge in that luxury. No matter what exercise was developed in this difficult field it would be bound to give rise to criticism. However, the observation of Mr. Walter Lippmann with regard to a similar exercise in the United States is not without significance. He said:

> The evil comes from telling the people that they are in danger of being exterminated, and that they can and should save themselves separately, each family for itself, and the devil take the hindmost. This is the way to breed panic.

This represents the thinking of some of those who have criticized the exercise. Some argued it created panic and a false sense of danger and that unless you could equate the reaction of danger to the means in existence to provide a defence against that danger, it was wrong to create a situation that would cause such panic.

There are two points of view. The government undoubtedly has its point of view and we should hear from the government the extent to which it has been influenced by this criticism which, editorially at any rate, has a uniform character.

I think the observations made by the hon. member for Niagara Falls were misunderstood certainly by the parliamentary secretary. I do not think she intended a personal reference to the Prime Minister. She was talking about a matter that has a potential which should inspire all of us to the most precise thinking we can achieve. I believe she is justified in saying that if we have a separate place for the government to seek refuge in the event of nuclear war, we should expect the Prime Minister as head of the government of our country to be in that place so that he could do what at the time would be the most useful thing he could do, and that is to help govern the nation in the very extraordinary circumstances which would prevail in such a situation.

The Prime Minister on one occasion, obviously for my benefit, quoted from an editorial in the Windsor *Star* by a particular columnist. Let me quote from that same columnist who on December 29, 1961 in the Windsor *Star* wrote:

> Foreign policy and war scare talk going hand in hand, this is as good a place as any to pass on the gripe of one Windsorite who thinks Prime Minister Diefenbaker has made a wrong decision about what he'll do if war comes. On more than one occasion, the Prime Minister has said he elects to stay in Ottawa with his wife and use their standard fall-out shelter.

What is said about the Prime Minister's wife is not, of course, intended in any way to involve that distinguished lady in this discussion. I am sure that was not the intention of the writer nor is it my intention. The writer went on to say:

> "This is a stupid policy," says the Diefenbaker critic. "The Prime Minister is head of government and should go where he can be safe if war comes. It is his duty to see the government functions. He can't do that by appointing a deputy prime minister. It may sound noble to say he elects to stay with the people and suffer whatever happens to them. That isn't his duty. He should go where he can keep the government running."

I am sure most people will agree with that statement. The statement of the Prime Minister that he was going to stay at home on Sussex street is not the kind of assurance the people of Canada want the head of the government to give in the circumstances envisaged by exercise Tocsin B-61 or that would eventuate if the circumstances of that exercise were to become a reality.

I am not saying the Prime Minister does not appreciate that view now. I suspect that

on reflection he must agree that in those circumstances his place would be where the government is.

There are some highly important questions that have to be resolved. Some direction not now in existence must be given by the government particularly with regard to shelters. Are we to have public shelters or are we not? Are we to allow shelters to be built now under the principle of perhaps unintended but actual discrimination as is the inevitable consequence of the present policy? Are we still to regard evacuation as a practical course to adopt in certain circumstances? What are those circumstances?

These and other questions are in the public mind. Although this is a small item involving a relatively minor portion of the budget for civil defence, it does afford an opportunity to express our views on this vital matter, and to invite the Prime Minister to make a statement with respect to this question, one which is of urgent concern. We should receive a statement from the Prime Minister who is in charge of civil defence, who is the co-ordinator in this area over the Minister of National Defence, the Minister of Justice, the Minister of National Health and Welfare and their colleagues in other departments of government concerned.

This is not make believe. This is necessary preparation for something we hope will never happen, and to the extent we are prepared in a practical way we have added to our strength in a defensive way.

Mr. Pitman: Surely the Prime Minister is going to answer some of the questions directed from this side. It seems to me the people of Canada are seeking direction in this connection. We now have the worst of two possible worlds. We have a shelter policy which gives us some hope of survival and defending our freedom, but to be of use in our defence posture the program must be related to the real effects of a nuclear attack. If our enemies believe that civil defence is for us a mere posture and that we are going through the motions of constructing basement shelters with their having no relationship to the effects of real danger, surely this is simply a provocation to war. It is virtually an exposing, an opening up, of our defence posture. We must prove that what we are doing in civil defence is as sensible and realistic as what we are doing in our relationship with NATO and the various elements of our total defence position.

I would hope the Prime Minister would indicate whether he would be willing to establish a committee of this house to consider the whole matter of civil defence. Certainly he should be willing to indicate whether there have been any discussions with respect to community shelters. Is there any doubt in his mind about their value especially when the United States in their greater wisdom have undertaken a program of this kind? If we are to be a part of NATO and NORAD our civil defence should be related to our total defence position since we will be facing equal danger. Our policies should go hand in hand. I hope we may receive an indication of the Prime Minister's thinking on these points.

Mr. Diefenbaker: Mr. Chairman, I listened with a great deal of interest to the hon. member for Essex East while he reviewed the problem in a way which revealed the knowledge of the subject he gained during the period he was in charge of this particular phase of defence in the former administration. I had been waiting to hear suggestions from hon. members opposite and have not wished in any way to see the debate restricted to discussion of the item under consideration.

This item has to do with civil defence. I would be the last person to transgress the rules of the house by engaging in a discussion of the whole question of E.M.O., the emergency measures organization, at a time like this. However, there have been some observations made which I believe deserve attention.

As I understood the hon. member for Peterborough he suggested that a committee be set up for the purpose of considering this whole question. When one considers what progress has been made in this house in the last two or three weeks it is found that thus far approximately 16 days have been spent considering supplementary estimates—

Mr. Pallett: It is more than that. It is 19 days.

Mr. Diefenbaker: Nineteen days? Oh, well, I always believe in being "conservative". Considering the progress made within the last two or three weeks one realizes that it is absolutely impossible for hon. members opposite to accord important matters that remain to be considered at this session the attention they deserve in a reasonable length of time. However, the manner in which the hon. member for Peterborough dealt with this question has impelled me to say something in regard to it.

I am most anxious not to deny any hon. member the opportunity of placing his ideas before the government. But having waited in order to give everyone the opportunity, I might review one or two matters to which reference has been made.

Reference was made to the general subject of fall-out shelters. As I followed his argument, the hon. member for Essex East stated that there should be an equality for all in survival. I accept that principle. But I notice

that immediately it was followed by the suggestion of how difficult that would be. He said, "How could this be achieved, in effect?" He said that it was going to be a tremendously costly proposition to provide public shelters, that the estimate last year was some $4 billion to $5 billion and the estimate now is somewhat higher. Then he stated that he thought the proper course to follow would be to cover the whole field and to assure equality of security and survival now but rather to decide on priorities. Then he asked this question: Who is to have priority? By asking that question he fairly well answered his suggestion as to a national emergency shelter program financed by the people of Canada.

Mr. Martin (Essex East): I think I said children.

Mr. Diefenbaker: He said, "Where do we start, who is to have priority?" Those were the words he used. In doing that he showed his capacity for getting to the heart of the proposition. He was in favour of the general principle that all should be assured of equality of survival and he dealt with it immediately by that question, a fair and reasonable one, the one that actually is the nub of the problem we face, the question of priority.

There have been changes in viewpoint in the United States. Mention was made by the hon. gentleman of the fact that in the United Kingdom there have been changes in this regard. The hon. member for Peterborough spoke of the vast number of variables on many of which we have not full information and the difficulty of arriving at a program in the face of a problem that we hope will never be an actuality, one that we have never faced previously and one that in the days ahead we hope will not have to be faced.

We have also to look at the thinking of the people. If we act as we did in connection with Tocsin B, some say that we arouse fear in the hearts of the people; and mention was made of that matter today. On the other hand if we do not act, we bring about a state of mind that is not in keeping with reality. The same problem has been experienced in the other countries. The hon. member for Essex East mentioned the United Kingdom. In recent months I think there has been a vast alteration of viewpoint in regard to this whole matter. The hon. gentleman quoted from authorities to the effect that there could be no survival and a little later he argued that action should be taken in order to secure survival. No one in any part of the world today knows with finality the course that ought to be followed.

Mention was made of the U.S.S.R. which has the dictatorial power of directing where persons shall go and where they shall not go. The hon. member mentioned an item in today's *Globe and Mail*. The report was to the effect, as I saw it, that in that country basement shelter construction started to diminish in the mid-fifties and was abandoned in the late fifties. On the other hand, pre-attack evacuation planning in that country has been receiving some emphasis as well as an apparent increase in the construction of what are called "free standing" shelters. These two aspects in the U.S.S.R. seem to indicate a combined shelter and evacuation policy.

Until about five years ago, if Canada had a policy, it was one of evacuation. Today it is a combined policy of shelter and evacuation. It was for that reason that we instituted the various programs and national exercises that have been undertaken.

In view of the mention of the U.S.S.R. I think I should place before you something of what it is doing in this field. The possibility of a surprise attack is admitted by the Soviet authorities. However, they think that actual hostilities will be preceded by a period of growing tension. The central responsibility for civil defence was until January 1960 that of the ministry of the interior, and its responsibility was abolished at that time. The head of municipal civil defence is the chairman of the town executive committee. In each town and city actual planning is carried out by the civil defence staff of the municipality. Residential areas and educational establishments organize "self-defence groups" numbering from 45 to 73 people. Groups are formed for administratively convenient units, varying from 200 persons in rural areas to 700 in densely populated urban ones. Each group consists of leaders and six teams: preservation of order, fire, decontamination, rescue, medical and shelters. They have training schools. In those schools instruction is given about the capabilities of nuclear weapons, starting with a 10-hour lecture course. They also have a further course of 18 hours which recently was brought into effect and which introduces information about fall-out. Shelters against blast, fire, radiation, and biological and chemical agents have been incorporated in basements of new buildings. Basement shelter construction started to diminish in 1955 and seems to have been abandoned in major urban centres since 1959.

Pre-attack evacuation is receiving considerable emphasis but at the same time, there has been an increase of "free standing" shelters. They have a mass training system in order to train the leaders in the various communities to take their parts.

With regard to the government in the event of war, may I say that I have listened with interest to suggestions that have been made arising from a statement which I placed before the house to the effect that I would be in the same position as other Canadians in the event that war came. That statement was made after full consideration had been given to the matter by those associated with this whole problem.

We have a number—half a dozen—of defence locations where government will have its place. We are not going to concentrate the members of government in any particular one. When it was originally bruited or rumoured that there was a place for government there were many, including the press, who stated that the leader of the nation should not be there, that he ought not to ask others to do that which he himself would not undertake. Arrangements were made whereby in the shelter at 24 Sussex street, which is identical in form and construction with those that we suggest for Canadians across this country, whereby there would be provision for co-ordination of government among the half dozen places to which it will disperse.

We are not going to have our key people in government and in the civil service concentrated in any one place. Otherwise all chance of giving leadership and administrative control to the nation might be lost by one direct hit. Some will stay in Ottawa and other places close to Ottawa will house various ministers and their departments. Full arrangements have been made, that there will be co-ordination which will assure not only the continuation of leadership to the various elements that must necessarily be considered but as well within the base itself. I want to emphasize that fact.

I believe, and I think it is fair to say, that in the last year and a half or two years more work has been done effectively on behalf of civil defence in this country than in all the preceding years. There is no question about that. We have brought about an organization in every part of this country. The hon. member for Essex East was fair enough to say that no matter what is done in this regard it can be subject to the luxury of criticism. I point out that the organization headed by Mr. Curry and those associated with him has been diligent, has given of its best and has brought about in co-operation with municipal authorities and others across the country a unity of purpose that was lacking in the past.

The responsibility, as was said by the hon. member for Peterborough, of the emergency measures organization is to co-ordinate planning for wartime emergency not only among federal departments but with the provinces and through them with the municipalities. Planning in federal departments is progressing satisfactorily, with a better comprehension of functions that will have to be performed under emergency conditions. Greater attention is being given to detailed planning, both at the national and regional levels. Key officials have been designated and trained and plans prepared for the quick relocation of a small core of government personnel outside Ottawa as well as near each provincial capital city in time of emergency. I could give the records in this regard showing what is being done in that connection province by province, if it were desirable.

Facilities are now available in the Ottawa area that allow, as I said a moment ago, for the relocation of these essential elements of government. In addition, construction of permanent regional emergency government facilities has progressed on schedule and it is expected that the first four of these headquarters will be completed this summer with others being available early in 1963. In the meantime, interim facilities in all provinces have been made available on national defence establishments.

Then we come to the question of communication, which is most important. An adequate communications system has been provided to ensure continued contact with federal regional headquarters and with all provincial governments.

Emergency orders in council and regulations, required for the continued operation of government in wartime, were tested during exercise Tocsin B and further progress is being made in improving these and correcting overlapping of authority and responsibilities wherever such things occur. The basic authority required to operate in an emergency is provided under the War Measures Act, under which orders were purportedly made, but in each case it was clearly written across the order in question that it was for exercise purposes only. In other words, it was simply the carrying out of the technique rather than the application of the act itself.

Mention was made of the fact that a committee was set up last year on the War Measures Act in relationship to the bill of rights. When it is suggested that we ought to have set up that committee this year, I again point out that for weeks and weeks we have been held up more than I believe to have been necessary or understandable, and it has not yet been possible to bring this matter and several others of major importance before the house.

The basic authority, as I said a moment ago, is under the War Measures Act. The suggestion was made that in the United Kingdom they require something similar. I understand that is not so. The only reason for the War

Measures Act is that in the case of an emergency or anticipated emergency it enables the invasion by the federal government of areas within provincial jurisdiction. It declares a national emergency or an impending one, and authorized thereby by the use of the word "emergency" in the preamble, which has been held sufficient for the purpose, the federal government is enabled to do those things that under ordinary circumstances are exclusively under the jurisdiction of the provinces.

Records essential in an emergency have been selected and stored so that they will be available at all times. Equally important in providing for continuity of government is planning by the provinces and by municipalities. This planning supplements that carried on by federal departments. The cost of emergency planning by provinces and by municipalities is borne to the extent of 75 per cent by the federal goverment. Many hundreds of municipal emergency planning projects are approved each year. Many municipalities are engaged in working out plans for suitable emergency headquarters and are assigning functions to the key personnel who will be involved.

This is a very large undertaking. The hon. member for Essex East suggested that it was too large to be left in the hands of the Prime Minister. It covers three departments of government; there must be someone in the position of having co-ordinating authority and for that reason the responsibility was placed on the privy council office.

The question of survival touches not only the hearts but the imagination of Canadians as a whole. What are we going to do? How far shall we go? Someone suggested that as a result of the Tocsin exercise people have been filled with fear. The hon. member for Peterborough answered this very well in the argument he advanced when he showed that whatever their fear may be, that fear has not been translated into any action commensurate with the danger that there is.

Indeed all of us recognize this fact today. It has been the same throughout the ages. When people are living under fear from day to day, week to week, and month to month they finally develop an attitude of mind which causes them to believe that there is no danger of that fear ever bringing about the catastrophe regarding which the fear has been engendered. That is the position today and all of us hope that out of this conference in Geneva we will be able to remove something of this fear from the heart of man. All of us who are following that conference from day to day are beginning to wonder whether mankind has learned a lesson and whether there will come out of that conference anything that will give hope to mankind in place of the fear that today overhangs all of us.

In connection with the survival of people, the army's warning facilities in the form of sirens have been steadily increased and the coverage extended. The army is now studying the possibility of suitable warning devices that might be recommended for use in homes. This is a device that is activated by a signal sent over the normal electrical power circuits. The army is developing its plans for re-entry operations in damaged or heavily contaminated areas. It has made good progress in organizing survival columns and establishing target area headquarters to take control of these emergency operations.

We are now working closely with the provinces in an effort to establish suitable emergency communication plans, and through the provinces to establish municipal radiological defence organizations. These will be the means of conveying to people the information they will need about the degree of radioactive fall-out to which they might be exposed, and what measures they should take.

The vote in question has to do with public information. There has been a tremendous demand for literature on this subject. That demand has been increasing year by year and has now come to a point where we have had to ask for this extra amount in order to meet it. I shall not go into particulars except to say that of the publication "Basement Fall-out Shelter," first issued in May, 1960, to date there have been three printings totalling 1,250,000 copies in English and 300,000 copies in French. The figures for other publications are as follows: "11 Steps to Survival", first printed in April, 1961—four printings totalling 1,708,000 copies in English and 322,000 in French; "Survival Folder" first issued in July, 1961—600,000 copies in English and 140,000 in French. "Simpler Shelters", which deals with shelter protection that will provide a reasonable degree of protection against fall-out at a cost of $100 for materials, was first published in the form of a pamphlet in February of this year and has had one printing totalling 800,000 copies in English and 200,000 copies in French. Another publication is "Survival in Likely Target Areas", which is being issued this month in one printing totalling 800,000 copies in English and 200,000 copies in French.

I could go through a very lengthy list of such publications which indicate that people want information. They want to know what the picture will be so that, having got that information, they may immediately react and carry out the suggestions made.

There was a mention made of the exercise in November and I think the hon. gentleman from Peterborough said that there should be some report given to the house. The exercise was planned to practise manning and operation of emergency government headquarters at all levels and, in particular, to test the capability for emergency government in those aspects where weaknesses were revealed in the May exercise. When I last spoke in the house on this subject I quite frankly admitted that there were shortcomings in the May exercise. I did not conceal them. We did not try to paper over the cracks in the wall. We realized that there were shortcomings and we had a further exercise based on the experience of May, designed not only to remove those shortcomings that had been ascertained earlier, but also to expand and extend the field of operations. Special informative programs on radio and television were arranged. The provincial premiers were advised of the decision to hold the exercise and their co-operation was requested. Each and every one of them gave that co-operation very fully. The initial assessment, and this is one that has not been arrived at loosely, is that the exercise fulfilled its primary purpose.

There was some comment that it was unrealistic because of the short duration and the nature of the assumed attack. The hon. member for Peterborough said they had not purported to use as large bombs as could have been used. I do not really get the point of that. It was the exercise and not the size of the cause of the exercise with which we were concerned.

The general purpose of the exercise was not to test the size of the instruments that would be used against us or their effectiveness. Indeed the effects of a bomb do not increase in proportion to the increase in size. The exercise was designed to test our basic arrangements for survival. We recognize that should nuclear war ever take place there may well be longer periods of attack and greater disorganization that was apparent from the exercise. Nevertheless I want to emphasize that not only we, but also those responsible in the provinces, agree that these exercises have helped greatly to develop a basic capability of ensuring that there will be in existence a framework of government services to provide guidance and leadership to the country.

As in the May exercise, federal participation was quite complete with maximum numbers participating. Provincial participation, especially at the senior level, represented a considerable advance over the May exercise, and reflected substantial progress in provincial planning between May and November.

[Mr. Diefenbaker.]

At the central federal exercise headquarters, 17 federal departments and agencies actively participated in the exercise. I remained at 24 Sussex street, in continuing communication. An exercise cabinet consisting of the Minister of Justice, the Minister of Defence, the Postmaster General, the Minister of National Health and Welfare, the Minister of Defence Production and the Minister without Portfolio met on a shift basis throughout the 24 hour period of the exercise. They were supported by a staff, including deputy ministers and other senior officers, of some 215 persons.

With regard to the previous exercise, it was noted and commented on by the hon. member for Vancouver East that during the time in which the federal government moved from Ottawa to the exercise headquarters it risked being ineffective, due to a lack of communications. This problem was met in Tocsin B by reorganizing the advance party to include in it members of cabinet and an improved staff capability. This solved the problem to which the hon. member made reference, after a very complete and thoroughgoing examination of the May exercise.

As well as the reinforced advance party, additional measures and safeguards may be necessary and are being investigated. Furthermore—and I have already mentioned the question of the drafting of federal emergency regulations and orders—in the May exercise there were difficulties. As a result of that experience sets of these draft regulations and orders were made available in all the provinces when the emergency exercise began. There was a complete review of all the possible contingencies that could arise that required regulations. These were drafted by a committee, the Clerk of the Privy Council assuming a large degree of responsibility in this connection. All these draft regulations, extensive as they are, are now being reviewed in the light of the comments received on the November exercise.

There was also a considerable improvement in departmental organization and training. There has been considerable continuity in staff from previous exercises, and as a result all departments were able to make advances in exercising their emergency organization and fulfilling their functions at such a time.

Many departments, in addition to their staffs at central and regional facilities, operated for the first time comparatively large operational staffs at departmental relocation sites. It is probable that most of these latter departments came out of the exercise with a clear view of the steps they need to take in

all fields, but especially in regard to clarifying their functions, their organization and staff training to further improve their emergency capability.

To date in these exercises people generally have been requested to participate in a passive sense only. In fact, the aspect of these exercises aimed at the general public has formed a part of the over-all program of information and education on national survival matters. It is also becoming more and more apparent that although national exercises do achieve much, it is of concern that not enough attention has been paid to the subject of municipalities. While a considerable number of municipalities, actually some hundreds, participated in the exercise, greater efforts must be directed to having municipalities participate more fully, because in the event of a nuclear catastrophe this is the level of government which will feel the first impact. Possibly by recasting our concept of exercises we could achieve more. We have therefore been encouraging provincial governments to conduct exercises within provinces whereby greater emphasis will be placed on exercising municipal governments.

During the early phases of Tocsin B in which the continent was being subjected to a combined bomber and missile attack, it was apparent that our recommendations to the public on steps they should take to ensure their survival, on the basis of public warning systems, needed some modification. A general assessment of the exercise, however, indicates that it achieved its main objectives and reflected a considerable advance over the exercise of May, 1961. Hon. members will recognize that much remains to be done to ensure that fully comprehensive plans for national survival are developed. One of the purposes of these exercises is to test the advances that we make from time to time and to direct attention to the next stage.

That represents a summary of an exercise which was extensive and which was also much more effective and efficient than had been the one in May. This is one of the reasons for the exercises, to learn where there are shortcomings and, having learned, to act in order to prevent a recurrence.

Mr. Chairman, I think that in general covers my statement in respect of this matter. I again say to the hon. member for Essex East and to the hon. member for Peterborough that I appreciate very much having the benefit of their views, because both have studied this matter. All hon. members who have anything to contribute in this connection will receive the fullest co-operation of the government. This is a matter that transcends partisan considerations, the survival of our people to the largest degree possible. That is the responsibility of government. It is also the responsibility of all our people to join together, as they did on these two occasions, in a national spirit of co-operation for the benefit of each and all.

Mr. Pearson: Mr. Chairman, I think the committee will welcome the statement the Prime Minister has made. It was a comprehensive statement on this subject, the importance of which it is difficult for us even to conceive. While I do not propose to hold up the passage of this estimate, I do not apologize for saying a few words on this matter in the light of what the Prime Minister has said, nor indeed do I think we need apologize for discussing these supplementary estimates at a much greater length than would normally be the case, in view of the fact that we have no assurance that any of the subjects concerned with them will be open for discussion during the remainder of the session.

Especially in connection with civil defence we do desire to take advantage of this opportunity to listen to the policy of the government as it has been expressed by the Prime Minister and to add our own views, which might have some bearing on that policy. This is an item which does raise the whole question of co-ordination by the government of measures of civil defence. While the Prime Minister has stated, as did the Minister of National Defence before him, that the government is satisfied that these measures are efficient and would be effective in the awful emergency which is contemplated in case they ever had to be used, we cannot on this side of the chamber ignore the fact—and this has been pointed out this afternoon—that there are others who are not nearly so satisfied as to the effectiveness of these measures and their co-ordination. When those people include the premier of Manitoba and certain municipalities in the country, then we have, I think, good justification for expressing our anxiety that perhaps everything is not as perfect as we would like it to be and as the government undoubtedly hopes that it is.

Therefore this afternoon we have put forward some suggestions and proposals and we have asked some questions. The Prime Minister has this afternoon dealt with one of these questions; that is, the measures that have been adopted to enable a government to be carried on in the awful emergency, or in the awful fact of nuclear destruction. We had assumed on this side of the chamber that there was being constructed not very far away, we believed, from Ottawa what perhaps might fairly be designated as a national command post in which the effort to ensure survival and reorganize the life of the country after nuclear attack would be centred.

Surely that is a sensible and reasonable step for any government to take. That will involve, of course, very special preparations and operations. We had assumed that at this national command post there would be very special methods of protection, as, indeed, there must be, and very special methods of communication, as, indeed, there must be. While everyone would sympathize with the desire of anyone, whatever position he might hold, to share in the dangers of the people, nevertheless a position of responsibility does require certain protection in order that that responsibility might be discharged. We had assumed that that responsibility could best be discharged from these particular posts upon which a great deal of money is, I think rightly, being spent.

The Prime Minister has told us this afternoon, and this is the first time we have been so informed, that there is no single place to which the government would be dispersed. I think he said there are half a dozen places from which government activity might be conducted during an emergency, in addition to the residence of the Prime Minister himself, and we had assumed that that was a national command post. This throws a new light on this problem. It is not possible, of course, to discuss this awful problem and what should be done about it without trying to reach some conclusion as to the nature of the destruction which would be visited on us if we ever allowed ourselves—and by "ourselves" I mean humanity—to drift or be pushed into the catastrophe of nuclear war. We cannot know what will happen. All we can do is protect ourselves to the best of our ability under the leadership of the government in readiness for whatever is thought most likely to happen. The extent of the menace and of the possibilities of destruction are changing month by month and I suppose government attitudes and policies have to change as the capacity for destruction changes. What might have been and, indeed, was a kind of protection against bombing in the second world war would amount to nothing at all now, and the kind of protection we are now considering might be worth nothing at all in a few months time. We have been informed, and I think it is no longer a matter of secrecy, that the communist empire of Russia, from which an attack would likely come should it ever take place, has developed a thermonuclear weapon equivalent to 100 million tons of t.n.t. One hundred million tons: that is startling enough, but it is even more startling when one realizes it would be the equivalent of an attack by ten million bombers carrying the average bomb load of the last war. All this, as the Prime Minister and others have pointed out, certainly makes for fear and it imposes an obligation not only to do something about survival in case of an attack, but also to do something about removing the fear itself. The aim, of course, is peace, but peace cannot be achieved unless we remove this awful fear. Yet when we give publicity to statistics showing the nature of the destruction which would occur in the event of nuclear attack we are, in a sense, increasing fear. That is a result which, in one sense, one does not like to see because fear can itself be an enemy of the resolution required to bring about the policies which may remove the fear politically. In that sense the fear we created in trying to convince our people of the necessity of measures for their protection can be used against us in the form of blackmail. That is the destructive circle we are up against.

The Rand Corporation, which has done a great deal of investigation into nuclear warfare and civil defence, and especially Herman Kahn, a member of that corporation, I believe, have told us that in the United States under the present circumstances they have to assume that 90 million people would be killed in any major nuclear attack and that it would take 60 years for economic recovery to take place after such an attack. However, according to this report, if they spent a minimum of $500 millions on their protection they could reduce that figure of casualties to 50 million and reduce the period of 60 years to 15 years. The report is embodied in a long book which perhaps some of the members of the committee have read, and it goes on to say that major evacuation, added to the other measures, could reduce the figure of casualties to 15 million. That apparently, is the irreducible minimum. Then, as the author says, when you cut it down to 15 millions it becomes credible.

It is very important, according to him and others, to maintain what is called the credibility of the deterrent. One aspect of the credibility of the deterrent is the credibility of the people to accept the acceptability of destruction. I do not think anyone can get much comfort out of that, yet the fact that the figure could be reduced, by protective action, from 90 million to 15 million, according to this report, does, I suggest, underline the necessity for the government taking whatever action is possible and it does emphasize the fact that civil defence becomes a part of the deterrent. That is another reason why, I suppose, something has to be done about it in addition to the obligation to do what we can to ensure survival.

We assume that while there is no protection against a hit from a nuclear weapon, or practically none, except by an arrangement

of the kind we are operating for the government of this country against any form of nuclear blast, there would be protection against nuclear fall-out, and presumably that is the reason we are taking the steps we are taking. Yet I have seen a report from the head of the department of physiology in the University of Minnesota as part of a study commenting on the Rand Corporation studies and on the civil defence policies of the United States, to the effect that if there was a "real nuclear war"—I do not know what he means by a "real nuclear war"; presumably it is one where there would be attacks followed by attacks; that is presumably what we have to expect—it would be necessary to stay in a shelter for a year if the lethal effects of fall-out are to be avoided. This gives some idea of the nature of the problem we are dealing with on this sunny spring afternoon in this committee of the House of Commons. We on this side of the committee know the agony which is involved in trying to decide what to do about it, though perhaps we are not as intimately associated with these matters as are some people on the other side of the house. There are too many variables, as the hon. member for Peterborough has said, and as I have repeated this afternoon, for us to be able to ensure finality in any policy with regard to this matter.

The only finality will come if we fail in our policy of peace and get into nuclear war. That may well be final. Therefore, the only protection is peace. But I should like to emphasize, as my friend the hon. member for Essex East has emphasized, that while there cannot be any finality in policy or decision it does seem to us on this side that somehow there have to be priorities of protection established.

The Prime Minister has mentioned the fact that we cannot have equality in this matter except in principle and I do not quarrel with that nor does the hon. member for Essex East. There cannot be equality of safeguards or of safety in a matter of this kind but there will have to be priorities established. Indeed in the present policy of the government a priority has been established. The priority that has been established is that if you have the resources yourself as an individual, and if you have the facilities, if you live in a house where there is a possibility of doing this, you can, if you can afford it, give yourself some protection against fall-out. That leaves it up to the individual, with encouragement and support, up to a point, from the government. But surely there must be some more collective approach than that to this problem. If we have to have priorities is it not desirable to add to the individual priority—and I do not think we should take away from the individual the right to do what he can for his own protection and that of his family—a priority for children established by our collective action under which there will be some degree of assurance of survival of the children of the nation. If we could have that kind of action through collective shelters on a basis of co-operation among federal, provincial and municipal governments, is that not the kind of priority which would be justified through ensuring the survival of our children?

I do not know how it could be worked out. I do not have that information, and I do know something about the difficulty. But let us add to whatever priority we are giving, by the very nature of our society to the individual who can do these things with government support and encouragement, some kind of collective priority to the one element of our population whom we would, I should think, especially desire to have survive in this kind of situation. Perhaps this would be a principle upon which we could extend our activity in the future.

There are one or two other points which I feel should be brought to the government's attention. We have pointed out before that it is essential that stockpiles of food and materials be secured at strategic sites, where they will be accessible in times of disaster, if shelters are to be of any value. I do not know whether anything has been done about that yet.

This has also been pointed out by many hon. members on this side. A national system of automatic warning must surely be worked out. Does that not mean having individual units installed in individual dwellings in a way that they could be activated from a central emergency headquarters? It seems to me that is the only kind of warning which would be adequate in the missile age.

There is also the idea of dispersal, of evacuation. The Prime Minister has told us this afternoon that the policy of the government in respect of civil defence and emergency measures is now based on the twin principles of shelters against fall-out, and dispersal and evacuation. We were of the impression on this side—and the Prime Minister's statement rather indicates that we were wrong—that the principle adopted by the government now was the principle of fall-out shelters and not dispersal or evacuation. It has been pointed out, I believe, that the United Kingdom up until the last year or so based its policy on the construction of shelters, but has now reintroduced the idea of evacuation and survival. I do not wish to delay this item but if the Prime Minister could reassure the committee on that point by telling us that the government has indeed now based its policy

on evacuation as well as survival through fall-out shelters, that would be a very important result to have been achieved from our discussion this afternoon.

Mr. Diefenbaker: Mr. Chairman, I thank the Leader of the Opposition for his contribution. With regard to the first point raised concerning the priority of the survival of children, all of us can accept that as a principle that appeals to the heart and is important in terms of the needs of the future. However, the hon. gentleman in discussing this question was careful to say that this would be a difficult matter to achieve. How are you going to bring it about? Are you going to provide fall-out shelters in the basements of the schools or in some public place, while the parents would be at home? Hon. members can imagine the heartsickness of a father and mother at home with the children somewhere else. Are you going to establish public shelters for the children only? When these questions are considered you can readily realize what the difficulties would be. Adults would have to be present in order to make possible the effective use of these facilities. All of us will be in agreement with the objective, but we will be equally in agreement as to the difficulties inherent in the achievement of this desirable objective.

I believe I can summarize the policy of the government on civil defence in this way. Evacuation was the policy. That was the policy in effect when we came into office. However, nothing could be done to effectively implement it or to plan properly for evacuation. We now try to get the provinces and municipalities to be ready for voluntary evacuation, because many thousands of people will try to leave the cities and urban centres anyway, and we cannot stop them. We point out what the difficulties and problems are and we make it possible for the municipalities to do their planning for this. We also warn, as we did at the time of exercise Tocsin in November, that those who move should move only if they have arranged their destination in advance. If that were not arranged for it would be quite impossible to have an effective evacuation policy. Instead of a policy of evacuation there would be simply a policy of annihilation. It would bring about a degree of panic that would only serve to add to the dangerous situation prevailing following an attack.

In speaking most frankly on this subject permit me to say I very much appreciate the expression of the views on the part of those who have participated in this debate. I assure them, the committee and the country that I am fully convinced of the importance of this decision. As the Leader of the Opposition has stated it is one of those agonizing decisions that have to be made from time to time. In this matter we have no past experience. All we do is not in the nature of action based on experience but is anticipatory action founded on experiment.

[Mr. Pearson.]

Item agreed to.

Special—

654. Expenses of the committee of inquiry into the Unemployment Insurance Act including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the committee, $75,000.

Mr. Herridge: Will the Prime Minister tell the committee when he expects this committee to report?

Mr. Diefenbaker: According to information from the chairman of the committee, no definite date has been fixed, but it is expected some time later this year.

Item agreed to.

The Chairman: That completes the supplementary estimates relating to the privy council and also completes our consideration of supplementary estimates No. 3.

Resolutions adopted in committee of supply this day reported and concurred in.

WAYS AND MEANS

The house in committee of ways and means, Mr. Martineau in the chair.

Mr. Nowlan (for the Minister of Finance) moved:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31st, 1962, the sum of $153,270,929, be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported and concurred in.

Mr. Nowlan (for the Minister of Finance) thereupon moved for leave to introduce Bill No. C-78 for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1962.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the said bill be read a second time?

Mr. Pickersgill: By leave, now.

Mr. Nowlan (for the Minister of Finance) moved the second reading of the bill.

Mr. H. W. Herridge (Kootenay West): Before this bill passes second reading, Mr. Speaker, I just wish to say that it covers the third set of supplementary estimates

that have been presented to the house this session and we also have No. 4 to deal with at some time in the near future. This group recognizes the need for supplementary estimates. Under present circumstances or indeed under any circumstances it is impossible accurately to judge the amount that will be required for the full year, owing to changing circumstances and conditions. However, we wonder why there have been four lists of supplementary estimates which have contributed to a lengthening of debate. In my opinion this procedure provokes debate unnecessarily. In the opinion of this group the time consumed in debate on supplementary estimates would be shortened if we could have them consolidated more than has been the case during this session. For instance, we have had No. 3 and No. 4 presented here in close succession. I make this suggestion in order to save the time of the house in future sessions. Without a doubt the continuous introduction of supplementary estimates provokes debate and extends the time which is required to deal with these matters.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I am greatly tempted by what the hon. member has said, Mr. Speaker, but I will resist the temptation until the fourth bill comes along when I hope to say something more extensive along the same lines.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Martineau in the chair.

On clause 1—*Short title.*

Mr. Pickersgill: I think the parliamentary secretary should give the usual assurance.

Mr. Bell (Carleton): I shall be glad to assure the committee that this bill is in the customary form for appropriation acts giving approval to supplementary estimates. It is in that form which has become standard and which is well known to the committee.

Mr. Pickersgill: And the schedule corresponds precisely with the supplementary estimates?

Mr. Bell (Carleton): Yes, the schedule corresponds precisely to the supplementary estimates No. 3 which have just been adopted in committee of supply.

Mr. Herridge: May I congratulate the parliamentary secretary on having the opportunity to perform this onerous duty on behalf of the Minister of Finance.

Clause agreed to.

Clauses 2 to 4 inclusive agreed to.

Schedule agreed to.

Preamble agreed to.

Title agreed to.

The Chairman: Shall the bill carry?

Mr. Peters: Just before the bill carries may I say this. I am curious about this matter. This appropriation bill was prepared in this form and the date on it is February 12. I am just curious to know whether it is the intention that there can be no changes in the supplementary estimates and that the only thing that could happen is that they are accepted in the form in which they are presented and that there can be no modification in them, or whether it means that this bill would have been changed if there had been any modifications.

Mr. Bell (Carleton): This is simply a draft bill which was prepared on that date. When bills are drafted a date is stamped thereon. Had changes been made by the committee of supply of course there would have been changes in the bill. A new draft would have been prepared and it would have had a new and later date.

Mr. Pickersgill: I might say perhaps that there would have been a new government also.

Bill reported.

Mr. Nowlan moved the third reading of the bill.

Mr. Pickersgill: Is the minister not going to divide the house?

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

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

DEPARTMENT OF AGRICULTURE

Administration branch—

675. Departmental administration—further amount required, $77,500.

Mr. Matheson: Mr. Chairman, we on this side were gratified to hear the announcement of the Acting Minister of Agriculture that the government plans to reduce the price of butter by about 12 cents per pound and thereby endeavour to assist the country with regard to the record surplus that has been accumulated over the last four years. We wish that this action could have been taken a long while ago. We do not understand clearly, of course, the details of the plan in mind, but we would remind the committee that on January 19 last we on this side directed a question to the Prime Minister asking whether

a request had been received from farm representatives for a consumer butter subsidy of 14 cents a pound in order to dispose of the large stocks of butter. I do not believe the Prime Minister ever answered, although there was some statement by the Secretary of State which did touch on this subject.

On January 23 in the debate on the speech from the throne I asked for an immediate consumer subsidy of 14 cents a pound so that butter might be put on the market at 50 cents per pound, hoping that this would permit the large accumulated surplus to be dissipated and that over the course of a few weeks or months it might be possible to let market forces operate so that supply and demand would apply without loss to the producer, who is struggling right now because of the price of 64 cents. I pointed out that consumption of butter has dropped to 15.1 pounds per person in Canada from 19.5 pounds over a very short period and that with the present population of Canada all we need is consumption of approximately 20 pounds of butter per person per year to balance supply and demand.

We consider butter important because it has a critical influence on all dairy commodities. We have taken the view that since the government put the price of butter at 64 cents, just prior to the 1958 general election, the effect has been to channel the dairy surplus of approximately 3 per cent into this one commodity, a commodity which unfortunately had to meet the new challenge of alternative products and also the challenge of the criticism with regard to cholesterol content and of the various directions that were being given by certain medical authorities at the time against the use of butter. I believe there has been a substantial shift in the point of view and we read with encouragement what has taken place in the United States as late as February of this year. *Time* of February 2, 1962, indicates that the United States has followed other countries like Great Britain and France with a very aggressive dairy program.

We on this side feel that there is no area of agriculture facing a more difficult problem in the immediate future and probably for the next few years until our population, which does not now have the stimulus of immigration but only of natural increase, has built up to a position where our consumption of dairy products will match increased efficiency on the farm in their production, even with a substantial decline in farm families. This matter was brought before the session of the national Liberal policy council on January 30, 1962. That council accepted the proposition that the government should use either a consumer subsidy or a deficiency payment to the producer to get rid of our butter surplus. We do not know whether the figure suggested in this statement—

[Mr. Matheson.]

The Chairman: Order. I regret to interrupt the hon. member but it is now five o'clock. So that the house may proceed to the consideration of private members' business, pursuant to section 3 of standing order 15 it is my duty to rise, report progress and request leave to sit again later this day or at the next sitting of the house as the case may be.

Item stands.

Progress reported.

INDIAN ACT

AMENDMENT RESPECTING POSSESSION AND CONSUMPTION OF INTOXICANTS

On the order:

January 22—Second reading of Bill C-26, an act to amend the Indian Act (liquor rights)—Mr. Howard.

Mr. Churchill: Dropped.

Mr. Speaker: Dropped.

BANKRUPTCY ACT

AMENDMENT RESPECTING WAGE EARNERS' ASSIGNMENTS

On the order:

January 22—Second reading of Bill C-27, an act to amend the Bankruptcy Act (wage earners' assignments)—Mr. Argue.

Mr. Churchill: Dropped.

Mr. Speaker: Dropped.

BRITISH NORTH AMERICA ACT

AMENDMENT RESPECTING SENATE REPRESENTATION

On the order:

January 22—Second reading of Bill C-28, an act to amend the British North America Acts, 1867 to 1960, with respect to representation in the Senate—Mr. Nielsen.

Mr. Speaker: Before placing this bill before the house, may I comment on it briefly. Bill No. C-28 seeks to amend the British North America Act by providing for two additional senators, presumably representative of the Northwest Territories. The consequence of creating two additional senators would be that they would be paid, as senators are paid, under the Senate and House of Commons Act.

The problem, namely that the bill may be a money bill and perhaps should have been preceded by a resolution has come to my attention rather late. I have not come to a conclusion and I wonder if the hon. member, in whose name the bill stands, would

permit it to stand and the house would permit it to stand in its present priority while further consideration is given to the point.

Mr. Nielsen: I have no objection to that course, Mr. Speaker, if the house would give its unanimous consent.

Mr. Pickersgill: I was just going to say that we on this side of the house are quite agreeable to the course Your Honour is suggesting, and apparently the hon. member directly concerned also agrees.

Mr. Speaker: I thank the house for giving me an opportunity to come to a rather firmer conclusion before the measure is proceeded with. I take it this is at the request of the government, if I may put it that way.

Order stands.

CANADA FAIR EMPLOYMENT PRACTICES ACT

AMENDMENT TO PROHIBIT DISCRIMINATION BECAUSE OF AGE

On the order:

January 22—Second reading of Bill C-29, an act to amend the Canada Fair Employment Practices Act (age discrimination)—Mr. Howard.

Mr. Speaker: Dropped.

LOTTERY

PROVISION FOR ESTABLISHMENT OF CANADIAN LOTTERY COMMISSION

On the order:

January 22—Second reading of Bill C-30, an act to provide for a Canadian lottery—Mr. Pigeon.

Mr. Speaker: Dropped.

FLAGS OF CANADA

MEASURE TO PROVIDE FOR NATIONAL FLAG OF CANADA

On the order:

January 22—Second reading of Bill C-31, an act respecting flags of Canada—Mr. Boulanger.

Mr. Speaker: Dropped.

MERCHANT SEAMEN COMPENSATION ACT

AMENDMENTS RESPECTING PAYMENTS FOR ORPHANS OF SEAMEN

Mr. C. W. Carter (Burin-Burgeo) moved the second reading of Bill C-39, to amend the Merchant Seamen Compensation Act.

He said: This bill, Mr. Speaker, is so simple that there is not much need to say a lot about it. It seeks to improve the Merchant Seamen Compensation Act in so far as orphans are concerned, and though it is a simple bill nevertheless it is a very important one for the people in my province. As hon. members know, many people there get their livelihood from the sea but every year the sea takes its toll and children are left fatherless.

As the act stands at the moment, if a seaman leaves no widow, or if the widow subsequently dies, the care and maintenance of the orphans constitutes a claim against the Merchant Seamen Compensation Act. The act provides for the children to be taken care of by relatives or foster parents who must, of course, be satisfactory persons in the judgment of the administering board. Unfortunately, however, for some reason I have never been able to discover, the act provides that orphans cannot receive the maximum benefit unless the relatives or foster parents move into the house that was actually occupied by the orphans' parents.

There does not seem to be any necessity for this restricting provision in the act. I cannot see that it serves any good purpose and it places a handicap both upon the orphans and the people looking after them. In many cases the home of the foster parents may be much better and more comfortable than the original home of the orphans but, as I say, when the orphans move into the foster parents' home they cannot receive the maximum allowance provided by the terms of the act. It is to remove that handicap that I have introduced this bill.

All it seeks to do is to give to orphans and foster parents the same benefits as they would receive if they were living in the deceased parents' home and I hope the bill will commend itself to all hon. members.

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): One is most reluctant, Mr. Speaker, to contend with authorship in private members' hour. The hon. member who has brought this matter to the attention of the house has contended in his remarks that this is a simple matter of legislation but I question whether it is altogether adequately described by that. In so doing I hasten, however, to assure the hon. member and the house that which I think we all share, namely an understanding of and a regret for the men who ply their trade upon the sea and, as the hon. gentleman said, the sea taking its toll, leaving behind dependants for whose care and provision surely parliament desires as adequately as it properly can to provide.

However the amendment which is proposed, in my view, is not wholly satisfactory in its present form. To introduce my comments upon it perhaps it may be useful to those hon. members of the house whose other duties are so onerous that they have not a close awareness of the history of this legislation, if I set the matter briefly upon the record.

The merchant seamen compensation regulations of 1945 were issued by order of the governor in council made on July 17, 1945, under P.C. 4755. They were subsequently deemed to have been revoked on August 31, 1946, and for the purposes of section 19 of the Interpretation Act, an act respecting compensation for merchant seamen was deemed to have been substituted for those earlier regulations. That act, which is now before us, is chapter 178 of the Revised Statutes of Canada, 1952, amended by chapter 16 of the acts of 1952-53 and by chapter 9 of the acts of 1957, assented to on March 28, 1957.

Mr. Speaker, what would the amendment before us seek to do? The hon. member for Burin-Burgeo (Mr. Carter) would seek to amend section 30(2) of the present legislation in order to empower the merchant seamen compensation board to name as foster mother someone who would take care of a child or children of a deceased seaman in another home, not the existing household of the deceased seaman or of the deceased seaman's family. This amendment would have the effect of entitling the foster mother to the widow's pension of $75 a month as long as she was caring for the children up to the age of 18 years, or in the case of an invalid child, beyond that age. That would be the situation if the seaman died leaving no widow.

Normally under section 30 of the present act the merchant seaman compensation board would pay the $75 monthly to a suitable person who moved into the existing household to care for the children. The idea behind the present section seems to be that the children could be better brought up in the home to which they had become accustomed. There would not be a separation, which would have the effect of only adding to the loss of the father.

Two things might happen if the hon. gentleman's amendment were immediately acceptable. Let us first take the case of a seaman who dies leaving children who are not subject to compensation; that is, able, non-invalid children aged 18 and over. What would become of them if, as the proposed amendment would allow, children up to the age of 18 were enabled to be removed to the care of a foster mother in another household and be subject to compensation; what would become of the children aged 18 and over who would not be subject to compensation? Is the hon. gentleman who proposes the bill satisfied that this would not mean the division of the families of seamen?

Indeed, what would be the case in regard to those children eligible for compensation who are removed from their home into another household? Would their interests not perhaps become compromised by being shared with the interests of children of that foster mother, children native to the household to which the children subject to compensation are to be removed?

Mr. Speaker, let us see what is done under somewhat comparable legislation; let us consider the provincial workmen's compensation act. Most provincial workmen's compensation acts appear to me to have a section similar to the one which is incorporated in our present Merchant Seamen Compensation Act. I understand that Saskatchewan interprets its provisions in such a way as to allow the existing household to be regarded in the sense of being within the family, rather than strictly within the physical building. So that I understand the province of Saskatchewan, under its provincial compensation act will, other factors being permissive, allow full widow's pension to a foster mother in another household if it considers this to be in the interests of the children.

Manitoba also pays the foster mother the widow's pension as long as the workmen's compensation board in that province considers the children are being satisfactorily maintained in the foster mother's home.

British Columbia appears to me to be enabled by its practices to pay the pension to a person such as a maiden aunt if the children are moved into that person's home. In Newfoundland, the very beautiful native province of the hon. gentleman who introduced this bill, I understand that they do not hold strictly to the term "existing household". Like Saskatchewan, a foster mother can live elsewhere and can qualify for compensation.

The other provincial workmen's compensation boards, to the best of my knowledge, hold to the rule that the existing household must be maintained by a foster mother if she is to receive monthly compensation. Section 30(2) of the present act seems to me to be predicated upon the basis of a positive desire to maintain the existing household.

The hon. member for Burin-Burgeo says he has not been able to discern why this is kept in the act. I can only say that my reading of the history of this legislation would indicate to me, and I hope rightly, that there is a positive intent in the act—it has not come in accidentally—to preserve the seaman's household.

Mr. Carter: Mr. Chairman, would the hon. gentleman accept a question?

Mr. Morris: Yes.

Mr. Carter: Is the hon. gentleman taking the position that the interests of the child should not come uppermost and that a judgment must be made as to whether the interests of the child are best served by maintaining

the existing household or by moving that child into another household? To my mind the interests of the child or children should be the guiding factor.

Mr. Morris: Mr. Speaker, I can only say that the hon. gentleman is asking me if I have stopped beating my wife. I am trying to portray here an interest in the child, but it can be portrayed in a different way. I pointed out earlier—the hon. gentleman was sitting there; I do not know whether he was ossified—that the child who was being taken out of the household might be done harm—

Mr. Martin (Essex East): Let us not lose our tempers, now.

Mr. Morris: I am not. Mr. Chairman, the hon. member for Essex East (Mr. Martin) says, "Let us not lose our tempers". I have no intention of losing my temper. I simply said that the interests of the child can be preserved in other ways. I might also add that it is pleasant to see the hon. member for Essex East back in the house. Section 30(2) of the act—

Mr. Martin (Essex East): I have not been here for a long time.

Mr. Morris: —says that in order for the foster mother to qualify she must keep up the existing household and she must maintain and take care of the children entitled to compensation. In this situation the foster mother now would appear to receive $75 a month plus $25 for each child entitled to compensation. If this situation does not exist and the child leaves the existing household, then the child would become eligible for the orphan's rate of $35 a month. The whole purpose of section 30(2) seems to me to be to maintain the existing household. If someone also keeps up the existing household, either moving in from outside or being already there, then that person is in the same position as the mother. This provision would seem also to have in mind that for the benefit of the children whatever was existing in the way of a household should be continued. The hon. member asks: do I place the priority of the interest of this child above the other interests. I say in answer to that that there can be no dispute between us. However, we do not share the same opinion as the best way of ensuring the object we have in mind. I believe that the present legislation is intended to preserve the interest of the child by preserving that which is known to the child, by not running the risk of dividing the family.

Mr. Carter: Does the hon. member think that the foster parents should be penalized in cases where the existing household cannot be preserved?

Mr. Morris: Perhaps if the hon. gentleman would allow me to complete the few remarks I have to make he would understand more clearly what I am trying to say.

The proposed amendment does not take into consideration the continuance of the existing household. That is the whole objection of the hon. gentleman who introduced it. It does require that prior to the time of the death a domestic establishment was maintained for the child or children entitled to compensation. There is nothing which says it should be condemned. I maintain that this amendment defeats the whole purpose of the legislation and, indeed, encourages the dissolution of the previously maintained domestic establishment. It simply ceases to exist as a unit. This is the purpose of the present section.

I am sure there are other hon. gentlemen who wish to participate in this debate. I will, therefore, not compromise their time by dwelling upon the sections to which our attention was drawn by the hon. member in his explanation of the proposed bill, wherein he recommends a close reading of sections of the Pension Act. I wish to summarize my views on this matter by saying that I believe that both the Pension Act and the act we are now considering are at one in their desire to preserve the household. I submit that the concept of the household is as much an underlying factor in the present Pension Act as it is in the Merchant Seamen Compensation Act. If the proposed amendments, devoid of the household factor, were to become law, then section 30(3) would permit the payment of a lump sum of $200 to a foster mother who keeps up the existing household. It would permit that payment now only to a foster mother outside that household only if she keeps up the existing household. With the greatest care may I draw the attention of the committee to the fact that the hon. member's amendment would also appear to me to make it possible to take a seaman's children, subject to compensation, and place them in an orphanage, when the orphanage would be entitled to compensation.

We in this house have the highest regard for all those people across Canada who, in the absence of a family connection or a relative in a position to act as a foster parent, voluntarily, and under the grace of God, assume the functions of parents by taking care of children who were in public orphanages. However, none of us would strenuously argue that that was more desirable than that they be left with a fellow human of their own family.

I take the view, in summary, that the present act may not be as bad as the hon. gentleman portrays it. I did, in reading the

act, find other sections of it which appeared to me to require further study. I noticed, for instance, that section 12 of the present act states:

> The right to compensation provided by this act is in lieu of all rights and rights of action, statutory or otherwise, to which a seaman or his dependants are or may be entitled against the employer of such seaman for or by reason of any accident happening to him while in the employment of such employer, and no action in respect thereof lies.

I should like to have the merchant seamen's compensation board study this particular section. I am not a solicitor, but I find it just a little beyond my recognition as a matter which perhaps denies people rights which they should possess. Similarly, I think sections 14 and 18 require clarification. What I am saying is this: I think the intent of the hon. gentleman's amendment is one with which we can all agree, but when he says that this matter is one concerning the deprivation of children, let me tell him that I have taken the precaution of consulting the board about this and the board assures me that no case has come up for consideration in which the settlement of the children has not been satisfactorily arranged or, if it has, they are not aware of it. I do not make this point as an argument against the hon. member but I do think it removes the urgency. The board says there has been no case in which satisfactory arrangements have not been made. Where there was no foster mother available to live with the children the usual arrangements have been that the child or children have gone out to live with relatives, in which case the orphan's allowance of $35 a month was paid to the relative by the company which had employed the seaman. Not the widow's allowance, however; she did not receive the allowance unless she came into the seaman's household and preserved it, and preserved the family as a compact unit.

Further, I suggest that the attention of the merchant seamen's compensation board should be drawn to this debate—and no doubt this will be done—in the hope that the board will consider the points of view which have been expressed, and that it will perhaps consider making a further study of other parts of the act. Then, if it sees fit, it can make appropriate recommendations to the minister concerned, the Minister of Labour (Mr. Starr).

Mr. Terry Nugent (Edmonton-Strathcona): In rising to take part in this debate today I think I might be wise first of all to dispel the surprise, or what might be the puzzlement on the part of some hon. members, as to why a member from Edmonton, Alberta, where we do not have any seamen at the present time engaged in the fishing industry, should be taking part in this debate.

If the house would bear with me and consider it relevant, I might perhaps explain that all my life seamen have been a topic of conversation in my house, because my mother came from Fox Harbour, Placentia bay, Newfoundland, and my father came from Kelligrews, just outside St. John's. From my earliest days, therefore, I became well acquainted with the tales of hardship and struggle on the sea and what happens to the families when disaster strikes. In fact, my interest goes a little further than that, inasmuch as I still have throughout Newfoundland and in many other parts of that coastal area first cousins, second cousins and so on engaged in the fishing industry. Further, I have had the pleasure of visiting Newfoundland, all too briefly I must confess, but I was most impressed with the hardihood of the fisher folk there. I must confess, too, I was a little depressed at not finding that evidence of wealth which I would like to have seen enjoyed by the very fine people I met and talked to there. It is, therefore, a very personal interest I take in this because of family and personal associations with these people engaged in the industry, as well as the normal interest of a member of parliament, when we are discussing legislation which is predominantly concerned with dependant children of those who are not fortunate enough to be able to look after their offspring.

In listening to the hon. member for Burin-Burgeo who introduced this bill I must say I felt he had an excellent point in attempting to cover any possible emergency which might arise or which might in some manner or other preclude some children from receiving the full benefits of the legislation, all the money that is available for this assistance. I know that in any case where the breadwinner is gone—and it is especially true in cases such as this where both parents are gone—it is difficult to imagine that the compensation, even if those concerned can take full advantage of the measure, is sufficient to adequately compensate those who remain. Despite what has been said I am not convinced that if this bill were passed it would really have the effect of improving the lot of the child in these circumstances. Although some additional benefit might be made possible under the legislation this amendment might psychologically open the door to harmful effects which I know is not the intention of the sponsor of the bill.

I do not pretend to be a psychologist but we hear more and more every day about the results of psychological studies. The factors and influences which are essential in

the upbringing of a youngster to provide him with a sense of security and belonging, which seem to be the basic traits that contribute to good citizenship, most psychologists appear to agree, are those to be found in a constructive home atmosphere, and the family unit appears to be the best environment in which to foster these elements. Although not intended to have this effect the amendment in application would I think tend to destroy rather than increase family units and this causes me some concern.

Under the existing legislation the compensation is paid to the person who takes the place of the head of the family and maintains the household. The hon. member in saying that they had to move into the same house was, I think, construing the term "household" somewhat narrowly. In my view the words "maintaining the household" do not necessarily mean that they have to live in the same house. Surely what is intended is that "household" means, above all, the family unit. Surely the reference is to the association with the other children. Surely reference is made to the family as a cohesive unit together with personal articles including furniture, and a home if there is one. Essentially, however, in my contention "household" means the family unit. I do not think we must insist that they occupy the same house.

We are dealing here with children who have lost both parents. I am sure all of us know families in which either or both parents is gone. The loss of even one parent is a severe psychological shock to the family. Depending on the age of the children, the loss of the mother is sometimes the most severe shock. Often, too, in families where older boys require firm discipline the loss of the father will have a most disconcerting influence. I am sure all will agree that the loss of both parents, leaving orphan children, is a severe shock indeed and I believe we must tread warily and not fail to recognize the significant consequences of further disruption in the family. We must try to provide every encouragement to maintain these families as units so they will have a sense of belonging when they have experienced a severe blow through the loss of both parents.

I do not think the argument I am presenting is without precedent. While the bill before us seeks to amend the Merchant Seamen Compensation Act there are other compensation and pension acts in all the provinces across Canada dealing with the unfortunate families of those who are bereaved through loss of a parent by an industrial accident or other means. If we examine those measures and the manner in which they are administered I think we will find that emphasis is placed on maintaining the unity of the family. The effect of the proposed amendment would be to deviate from the legislative enactments in this field across Canada.

That, however, is not the main point. In considering these matters I believe the emphasis should be on maintaining the family unit. In other words, as the minister might put it, we do not live by bread alone. Merely securing the maximum financial assistance for each child is not necessarily the most important factor, although I do not underestimate its importance. We must consider the maximum amount of good we can do for these orphans, no matter what form it takes. I hope hon. members do not interpret my remarks as meaning that in this instance we should take the inexpensive way out and fail to make available as much assistance as possible. I invite hon. members to consider the fact that what is done in the provinces, legislatively, need not necessarily be done on the federal level. There is no essential need for the action of one government to match that of another.

I do suggest, however, that in the provincial compensation and pension acts we have had the benefit of the considered opinion of legislators across the country and the benefit of the experience of those administering these measures. This should offer some guidance as to the most effective means of dealing with this problem.

I suggest, therefore, that when we consider making a departure as radical as I suggest this is, we must consider the custom, procedure and usage that has been tried and proved. I do not wish to be unfair to the hon. member who sponsored this bill but I suggest we must not be reckless in considering a bill of this nature. We must do all we can to encourage the maintenance of the family unit. Surely it is more important to keep the family unit intact than merely to provide additional financial assistance, important though that is.

Mr. Carter: Mr. Chairman, would the hon. member permit a question. Does the hon. member not keep in mind that this bill does not relieve the board of their responsibilities to see that the family unit is maintained, where it can be maintained? That is the responsibility of the board. It appears that the hon. member seems to have lost sight of that fact. This bill does not interfere with that responsibility in any way.

Mr. Nugent: I quite appreciate that fact. I hope my comment was not unfair to the hon. member. I will try to rephrase it. It is simply this. I merely refer to the act as it was, section 2, where it states "and it seems desirable to continue the existing household." When the board is considering the possibility

of keeping the household together, I am sure that these hon. gentlemen when they are dealing with these matters have the welfare of the child very much at heart. But I am directing attention to the psychological influence of the board having to consider further the fact that we have put more emphasis on money than we have on the family unit. In other words, by giving greater scope and more possibilities to pay increased money if the family unit is broken up, you take away some of the pressure which normally is there to keep that family unit together.

I am not sure how effective this proposal is. The parliamentary secretary from Halifax mentioned that this situation had not arisen. I hope it does not arise. Perhaps there is much worry about very little. However, whether or not there has been an actual case, the principle about which I am speaking, namely, the emphasis on keeping together the family unit, this method of caring for the welfare of orphans, cannot be overemphasized. We must be extremely careful not to put the emphasis on pure money matters and so detract from what I consider to be the most important principle in caring for the welfare of these children and maintaining the family unit.

The hon. member for Burin-Burgeo when he spoke on this bill said there was no need to say much. I suppose it is against the rules—if I had a chance to know what he was going to say the situation might have been different—but I wish he could have dealt a little bit more fully with this matter. While I said to the house that I am not disinterested personally in fishermen, I realize that my connection is a distant and a rather tenuous one. It may very well be that he is more familiar with these hardy people. It may well be that the children who are orphans of fishermen in Newfoundland, having always lived more rugged lives than apparently we are obliged to live on the prairies and having perhaps grown up in the shadow of the fear that their father at least might be taken away by the sea at any time, have a more grown up approach. It is possible that the psychological effect of this environment, the means by which their parents earned a living, the way in which they became accustomed to so many widows and perhaps orphans being around, has itself left them psychologically in a much different frame of mind. It is possible that the hon. member who introduced this bill has a better understanding of the particular type of people about whom he is talking.

In considering anything I have said I trust that hon. members will not discount the possibility that it is perhaps presumptuous of me, one who comes from the prairies, to speak.

[Mr. Nugent.]

It is easily possible that those who live by the sea and who work day in and day out with seafaring people will find that I am trying to judge them exactly as I would Canadians in other parts of the country and that I have not paid enough attention to the environmental influences. If I am wrong in this matter I trust that some member from one of the coastal areas will straighten the house out, if I have led it astray in any way.

Mr. John Smith (Lincoln): In rising to speak briefly on this bill, Mr. Speaker, I should first of all like to congratulate the hon. member for Burin-Burgeo who saw fit to bring this matter to our attention. I may say that I appreciate many of the things the hon. member has done over the past few years. He is one who has always been ready to speak on behalf of those who were obliged to face the perils of the sea, namely our fishermen and our merchant seamen. It is quite fitting that he should bring this bill to our attention at the present time.

Coming as I do from the banana belt, as it is often called, in the Niagara peninsula I fully realize that it is perhaps not too appropriate for me to discuss too deeply the merits of this bill.

Mr. Martin (Essex East): I rise on a question of privilege, Mr. Speaker. Does my hon. friend not know that the banana belt is in southwestern Ontario, Essex county in particular?

Mr. Smith (Lincoln): We have the banana belt. In any event, if we wish to get along with this bill, I think perhaps we had better begin to discuss it. However, before doing so I should just like to mention this fact. Over the years this government, like other governments, has introduced many measures to make seafaring, both on the ocean and on the great lakes, much safer than it used to be. I was very happy this year to note that we brought in a measure to provide coast guard service for Canada, something that we have needed for a long time.

As far as the bill is concerned may I say this. It certainly has a great deal of merit. It brings to our attention a problem which arises in the riding from which the sponsor of the bill comes more than it does in mine. However, I do not feel that we should move too quickly on it. I think it is a matter to which we should give a great deal of attention. After all, the first intention of the act is to preserve the integrity of the family home or to keep the family together. I would be inclined to feel that by broadening it out as far as the hon. member proposes, we might find there would be a tendency to break up those

family homes rather than to keep them together. If surviving children are required to move into a foster home, they could be moving into an institution, as we know that foster homes are often not confined to one particular family. Oftentimes you will find several families in them. That is one thing about which we must be very careful.

I do not think that we should move too quickly in this matter. I feel that we should certainly keep the family home together. However, I also realize that, in communities such as the one from which I come, the standard of living is probably among the highest in Canada. When one looks at $75 a month for the foster mother and $25 a month for the children, one just wonders how they could make ends meet in keeping a home together. That is another reason why I think this act should be given a great deal more study rather than trying to pass this bill as it is at this time.

There is also the question whether the home might have a mortgage on it which it would be impossible for the foster mother to pay off. These are all matters that should be taken into consideration before we proceed to amend the act. As set out in the bill, suggestions have been made already that perhaps the merchant seamen compensation board should take a good look at the matter before any changes are made. I agree with this, and I feel that if we went into the bill a little more thoroughly as we should we might find other provisions that should be changed slightly. While the bill has a great deal of merit and is one I could support in principle, nevertheless I think there are a lot more details that should be worked out before we give it final approval. Again I wish to compliment the hon. member for bringing this matter to our attention.

Mr. W. H. Payne (Coast-Capilano): Mr. Speaker, I should like to say a few words with respect to Bill No. C-39. I think it would be proper to say that those from the west coast of Canada must regard with a great deal of sympathy the purpose and intent of the mover of the bill, the hon. member for Burin-Burgeo. I am sure that the situation he finds on the Newfoundland coast is not entirely different from that on the Pacific coast.

There was one note thrown into the discussion today that gives me some concern. Basically we are dealing with the dependants of merchant seamen and not with fishermen. We are also dealing with people rather than legal terms and I think it is very important we should keep in mind that in the rehabilitation and settling of orphan children, whether they be on the seashore or inland, the prime environment which will best establish and guarantee their future development as citizens who will be a credit to the nation and themselves is the family. The basis of the existing legislation ties this adjustment entirely to property and certainly not to the family unit. I endorse and approve the spirit of the amendment and I am certain those who inhabit the Pacific coastal region and who are familiar with the plight of orphans in some of our remote outposts will also concur in the intent of the amendment. However, I do feel, not being trained in any way as a solicitor, more than somewhat confused by the wording. I think it leaves the bill open to a great deal of misconstruing and errors of interpretation.

I am sure it would be the wish of those living in the coastal area in my part of the country that we should look not only at the suggestion brought forward in this amendment but should also give some thought generally to the Merchant Seamen Compensation Act. I refer more particularly to the merchant seamen compensation board which, as I am sure all hon. members know, is composed of three officers of the public service of Canada. In my view this whole matter should be reviewed and surely any review should contemplate the establishment of a board with appointees from other than the public service. I think there are great advantages to be gained by orphans and others who benefit under the act. I could continue at great length, Mr. Speaker, but I see it is six o'clock.

Mr. Speaker: Is it agreed that it is six o'clock? It is very close to it.

Some hon. Members: Agreed.

Mr. Speaker: As hon. members know, a message is expected from the other place. Perhaps by unanimous consent hon. members would agree to sit beyond the hour. Otherwise we might rise and return.

BUSINESS OF THE HOUSE

Mr. Martin (Essex East): Mr. Speaker, perhaps we might take advantage of this little lull in our proceedings to ascertain from the leader of the house what business it is proposed we shall deal with on Monday. Possibly when the leader is speaking he might indicate not only what we are going to do on Monday but what he envisages we might do all next week. I would even go further and suggest that he might tell us what we are going to do up until April 6, which may be a very decisive date.

Mr. Churchill: If things happen on April 6 such as are anticipated by the hon. member, the decisive date will be later.

Mr. Martin (Essex East): Yes, but that would be the beginning.

Mr. Churchill: I am not looking forward with too great pleasure to the end of my hon. friend's association with this house but there are some here who might appreciate it. On Monday we propose dealing with the following items under government orders which we had hoped to get at much earlier. The first item will be No. 10 on today's order paper, the setting up of a select committee under the chairmanship of Mr. Speaker. The second item will be No. 6, the resolution in my name dealing with amendments to the Veterans Land Act. The third will be second reading of Bill No. C-75, an act to amend the Canadian Wheat Board Act. The fourth item will be second reading of Bill No. C-38 dealing with financial and other statistics. That would be the business for Monday. We will see what progress we make. If possible I should like to carry on with legislation on Tuesday; then on Wednesday, Thursday and Friday deal with dispatch with the final supplementaries for the fiscal year which is just about terminating; and then the normal interim supply for one month, which is the customary procedure at the end of March.

Mr. Martin (Essex East): If I may make a comment, I am rather amazed that the government leader should indicate that if we should finish these various items we may deal toward the end of the week with supply, in the hope that there will be some dispatch with regard to supply because of the approach of the end of the month. That statement rather amazes me in the light of the fact that the first item we are going to discuss on Monday is a resolution that encompasses consideration of the closure rule when what the hon. gentleman has just proposed now is one of the most effective forms of closure I have ever heard suggested in this house, namely, that we should take supply in the dying days of the month in the hope that it will be passed before the end of the month in order to pay for salaries and the like. I suggest that is a form of closure that is not worthy of the hon. gentleman.

Mr. Fulton: You were a past master of the practice in your days.

Mr. Martin (Essex East): The Minister of Justice cannot withhold comment.

Mr. Fulton: When such inaccurate statements are made they have to be corrected.

Mr. Martin (Essex East): I would suggest to the hon. leader of the house, who is more understanding in these matters than the Minister of Justice—

Mr. Fulton: And than you.

[Mr. Churchill.]

Mr. Martin (Essex East): —that I hope in view of this order of business which the government is imposing on us, the Minister of Finance will not be encouraged to repeat the speech he made the other day when he said that unless we passed the supplementary estimates by such and such a time people were going to go without their salaries and the like. I hope it will not be the case, when we have to engage in the discussion that we must have on the supplementary estimates, that the Minister of Finance will not again rise in that unctuous way which he can adopt when he wants to or chooses to, and that the estimates will receive the consideration to which they are entitled.

Mr. Speaker: Order.

Mr. Martin (Essex East): I want to say—

Mr. Speaker: Order.

Mr. Fulton: We have had enough of this.

Mr. Speaker: Perhaps in the interval of waiting for Black Rod there is no more entertaining way of passing the time than listening to the hon. member for Essex East, but I am afraid his remarks are going a little bit beyond what is proper in asking the house leader about the business for next week.

Mr. Martin (Essex East): I was provoked.

Mr. Speaker: Enticed is the word.

Mr. Martin (Essex East): I did not get a chance.

Mr. Speaker: We might suspend the sitting without leaving the house until the Gentleman Usher arrives.

Mr. Herridge: I rise for the purpose of expressing my concurrence in the statesmanlike approach taken by the main agricultural spokesman for the opposition. I support his stand and his criticism of the government for introducing this legislation at this late date, when we all know there is a necessity to pass these supplementary estimates as expeditiously as possible. There is no necessity for me to repeat the excellent exposition of the situation placed before the house by the hon. member for Essex East.

Mr. Churchill: This is what the former Liberal government did. It dealt with the final supplementaries on the last day of March.

Mr. Martin (Essex East): Never.

Mr. Churchill: The record shows that very clearly and I shall give that record on Monday.

Mr. Martin (Essex East): I wish to observe again—

Mr. Speaker: I suggest we suspend our discussion.

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General, desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to amend the Export Credits Insurance Act.

An act to amend the St. Lawrence Seaway Authority Act.

An act to incorporate Cochin Pipe Lines Ltd.

An act respecting Muttart Development Corporation Ltd.

An act respecting The Mutual Life Assurance Company of Canada.

An act respecting Sun Life Assurance Company of Canada.

An act to incorporate Westmount Life Insurance Company.

An act to amend the Small Businesses Loans Act.

An act to amend the Farm Improvement Loans Act.

An act to amend the Fisheries Improvement Loans Act.

An act to authorize the construction and operation on behalf of Her Majesty of a line of railway in the province of Quebec between Matane and Ste. Anne des Monts.

An act to amend the Representation Act.

An act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1962.

Supply—Items Passed

It being twenty three minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in committee of supply]:

DEPARTMENT OF TRANSPORT

B—General—

Air transport board—

664. Subventions for air carriers as detailed in the estimates, $300,000.

Canadian maritime commission—

665. Steamship subventions for coastal services, as detailed in the estimates—further amount required, $510,164.

St. Lawrence seaway authority—

666. Operating deficit and capital requirements of canals and works entrusted to the St. Lawrence seaway authority—further amount required, $1,291,400.

PRIVY COUNCIL

Emergency measures—

652. Administration and operation of the emergency measures organization—further amount required, $261,500.

Special—

653. Expenses of the royal commission on banking and finance including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $128,000.

654. Expenses of the committee of inquiry into the Unemployment Insurance Act including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the committee, $75,000.

HOUSE OF COMMONS

Monday, March 26, 1962

The house met at 2.30 p.m.

POWER

NEW BRUNSWICK—ASSISTANCE IN CONSTRUCTION OF NEW FACILITIES

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): I should like to inform the house that under the Atlantic Provinces Power Development Act, the governor general in council has approved a request of the New Brunswick power commission for financial assistance in the construction of new facilities at an estimated cost of $13,150,000.

Three projects are involved. The largest, estimated to cost $10 million, is a 60 megawatt extension to the Grand lake thermal station. This new unit will burn exclusively eastern coal from the Minto field in New Brunswick. The extension will meet the expected growth in demand for electric power in New Brunswick over the next two years.

The second project, estimated to cost $3,000,000, involves the construction of a 138 kilovolt transmission line over about 90 miles between Moncton and Saint John. This link in the 138 kilovolt grid will make it possible to meet increased demand for power in the Moncton area from the recently completed thermal station in East Saint John.

The third project is associated with the second; it involves the expenditure of about $150,000 to extend the Moncton terminal station to handle the power coming in over the new line.

Financing required for these projects in the forthcoming fiscal year has been included in the 1962-63 estimates, and will come before the house in due course.

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I am convinced that the population of New Brunswick will welcome this announcement made by the minister showing co-operation between the New Brunswick electric power commission and the federal department. The most important part of the announcement is certainly the $10 million approved for the extension of the Grand lake power generating station. We welcome the decision of the New Brunswick electric power commission to use New Brunswick coal to generate power. We hope that this practice will be followed in other areas in the maritimes, as it has the dual purpose of providing cheap electric power for Atlantic provinces industries and at the same time providing assistance to our coal miners.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, the members of this group are happy with the announcement that has been made by the minister. We note that the taxpayers' money is being used to help power development in the Atlantic provinces. We have also observed in the past that it is being used to help in the case of the Saskatchewan river development. We would like to think that this government would alter its offer to the government of British Columbia—

Mr. Speaker: Order. The hon. member is not within our practice in going beyond the announcement that has been made.

LIBRARY OF PARLIAMENT

APPROVAL OF REPORT OF CIVIL SERVICE COMMISSION

Hon. Gordon Churchill (Minister of Veterans Affairs) moved:

That the report of the civil service commission concerning the position of cataloguing librarian 1, laid upon the table of the house Monday, March 12, 1962, be now approved.

Motion agreed to.

CUSTOMS ACT

AMENDMENTS RESPECTING PROCEDURAL CHANGES AND EXTENSION OF TIME FOR APPEALS

Hon. George C. Nowlan (Minister of National Revenue) moved for leave to introduce Bill No. C-79, to amend the Customs Act.

Mr. Pickersgill: Explain.

Mr. Nowlan: Mr. Speaker, this bill, as it appears, includes several amendments to various sections of the Customs Act all of which deal with matters of procedure and provide for an enlargement of the time for appeals from decisions of dominion customs appraisers, the deputy minister and other officials of the Department of National Revenue, customs and excise.

Motion agreed to and bill read the first time.

Questions

JUDGES ACT

AMENDMENT TO PROVIDE FOR ADDITIONAL ONTARIO JUDGES

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

That it is expedient to introduce a measure to amend the Judges Act to provide salaries for two additional judges of the trial division of the supreme court of Ontario and seven additional judges of the county and district courts of Ontario including one chief judge.

Motion agreed to.

HOUSE OF COMMONS

ESTABLISHMENT OF ELECTORAL BOUNDARIES COMMISSION

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

That it is expedient to introduce a measure respecting the establishment of an electoral boundaries commission for the readjustment of representation in the House of Commons; to provide that certain members of the commission may be paid such per diem allowance as may be fixed by the governor in council; to provide for the payment of reasonable travelling and living expenses for the members of the commission; and to provide also that the commission may engage the services of such technical advisers and other staff, including a person to act as secretary to the commission, as it deems necessary.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

BANKRUPTCY PROCEEDINGS—COMMUNICATION FROM MRS. L. LANK

Question No. 279—**Mr. Herridge:**

Have any communications been received from Mrs. L. Lank, 5322 Snowdon street, Montreal 29, P.Q., concerning bankruptcy proceedings; and, if so, what was the gist of these communications, and what replies, if any, have been made?

Answer by: **Mr. Fulton:**

Mr. Speaker, there has been a considerable exchange of correspondence between Mrs. L. Lank and the Department of Justice concerning the bankruptcy of Ralph W. Macdonald and Harold Johnson of Montreal trading as Packaging Specialty Company. In this correspondence Mrs. Lank complained about delays and other irregularities on the part of the trustee. These complaints were inquired into by the superintendent of bankruptcy and found to be unwarranted. Mrs. Lank was advised that any irregularities antecedent to the bankruptcy, or not involving the trustee, were matters for private advice or, if criminal behaviour was involved, for the attention of the provincial authorities.

SMALL POST OFFICE CONSTRUCTION IN NEXT FISCAL YEAR

Question No. 305—**Mr. Racine:**

How many small post offices does the Department of Public Works intend to build in the course of the next fiscal year, and where; and for each place, what are the operating revenue or deficit, and the population served?

Answer by: **Mr. MacLean (Queens):**

Mr. Speaker, a program for the construction of small post office buildings is now being planned with work to be carried out during the winter season in 1962-63. The site locations for these buildings are now being investigated but until final decisions are made regarding the sites it will not be possible to give the detailed locations. The information requested will therefore not be available for another four or five months.

*TARIFF BOARD HEARING ON ENGINEERING DRAWINGS, ETC.

Question No. 311—**Mr. Broome:**

1. What was the date of the Minister of Finance's reference to the tariff board in regard to engineering drawings, blueprints, etc.?
2. When did the tariff board complete their hearings on this matter?
3. Has the report of the tariff board been received by the minister; and, if not, when is this report likely to be tabled?

Mr. Fleming (Eglinton): Mr. Speaker, the answers to the three parts of this question are as follows:

1. July 8, 1960.

2. February 15, 1961.

3. The report in question will be tabled within 15 days of its receipt, pursuant to section 6 of the Tariff Board Act.

*SYDNEY MINES, N.S.—WAGES PAID FREIGHT HANDLERS

Question No. 312—**Mr. Herridge:**

1. Has the Minister of Transport received a letter from the Princess local union of the united mine workers of America, of Sydney Mines, N.S. protesting the low wages paid to the employees of the Northside freight handlers association, subcontractors of the C.N.R.?
2. If so, will representations be made to the C.N.R. to ensure that it lets work out on subcontract only to employers who pay according to acceptable union wage scales; and, what answer has been made to the letter?

Mr. Martini: Mr. Speaker, the answer to part 1 is yes.

With regard to part 2, as this is a matter which comes under the jurisdiction of the

Canadian National Railways the only action open to the minister is to transmit the representations to the management of the railways. The reply made to the letter stated that the representations had been carefully noted but that as the subject was one for the Canadian National Railways the communication had been immediately referred to the management.

*CLAIMANTS RECEIVING UNEMPLOYMENT BENEFITS

Question No. 313—**Mr. Deschatelets:**

What is the latest figure available of the total number of claimants receiving unemployment benefits?

Mr. Thrasher: The number of persons claiming benefit as at 31st January, 1962, was 698,538.

GIFT OF CARGO SHIPS TO WEST INDIES

Question No. 314—**Mr. Fisher:**

1. What was the total cost of each of the two new passenger cargo ships, a gift from the government of Canada, which are to be placed in service by the West Indies Shipping Corporation, Port of Spain, Trinidad?
2. When were the gifts delivered?

Answer by: **Mr. Diefenbaker:**

1. M.V. *Federal Maple*, $3,179,383.61; M.V. *Federal Palm*, $2,654,866.35.

2. M.V. *Federal Maple*, August 4, 1961; M.V. *Federal Palm*, September 1, 1961.

*WHEAT BOARD MEMBERSHIP

Question No. 315—**Mr. Boulanger:**

1. How many members sit on the Canadian wheat board?
2. Which provinces do such members respectively represent?
3. How many vacancies have occurred since 1957?
4. Give the name, address and qualifications of those appointed to fill such vacancies.

Mr. Jorgenson: The answer is as follows:

1. Four.

2. Commissioners of the Canadian wheat board do not represent individual provinces. The Canadian Wheat Board Act defines the object of the board as the "marketing in an orderly manner, in interprovincial and export trade, of grain grown in Canada". In carrying out this function the board undertakes to market on behalf of producers wheat, oats and barley grown in the designated area of western Canada and offered by producers for sale.

3. The Canadian Wheat Board Act provides for the appointment by the governor in council of not less than three nor more than five commissioners. At no time have there been five commissioners serving on the board. Since 1957 there have been two resignations and two appointments.

Order for Return

4. Mr. J. T. Dallas was appointed a commissioner September 1, 1958 and resigned December 31, 1960, Mr. J. B. Lawrie was appointed a commissioner December 22, 1961. Prior to their appointments Mr. Dallas was executive vice president of the Continental Grain Company, Winnipeg, Manitoba, and Mr. Lawrie was European manager of the Canadian wheat board, London, England. Both these gentlemen, because of their successful association over many years with the Canadian grain trade in executive capacities, were eminently qualified to assume the responsibilities of commissioners of the Canadian wheat board.

*CHIGNECTO CANAL COMMITTEE MEETING WITH CABINET

Question No. 323—**Mr. McWilliam:**

Has the Prime Minister received a request for a meeting between himself, other members of the cabinet, and the Chignecto canal committee; and, if so, has a time and place been set for this meeting?

Mr. Diefenbaker: This subject has been discussed, but no definite date has been fixed for a meeting with the Chignecto canal committee. The hon. member for Cumberland (Mr. Coates) is the chairman of the Chignecto canal committee of the maritime provinces and has discussed the matter with me and with other members of the cabinet. Today Brigadier Wardell of Fredericton, who has taken a great interest in this matter, is in Ottawa, and I hope later today to see him.

*ROADS TO RESOURCES GRANTS, ONTARIO

Question No. 333—**Mr. Benidickson:**

1. Did the government of Ontario, between January 1, 1961 and March 12, 1962, ask the federal government to provide, under the "roads to resources" agreement, dated December 22, 1959, for the fiscal year March 31, 1962 to March 31, 1963, an amount greater than $750,000 as referred to in clause 4(1)(d) of the said agreement?
2. If so, (a) what amounts of 'matching grant' for 1962-63 was requested, and, (b) what maximum amount has the federal government agreed to provide?

Mr. Dinsdale: The answer is as follows:

1. No.
2. Not applicable.

QUESTION PASSED AS ORDER FOR RETURN

*AMOS-MATTAGAMI HIGHWAY, QUEBEC

Question No. 316—**Mr. Martel:**

1. Were public tenders called in connection with the construction under the "roads to resources program", of a culvert near mile No. 9 on the Amos-Mattagami highway; and, if so, on what date were tenders called, and in what newspapers, giving dates of publication, were the notices published; if not, in what manner was the contract allocated?

Inquiries of the Ministry

2. What was the total cost to date of (a) the construction of the Amos-Mattagami highway (b) extras paid and authorized for the said highway?

BUSINESS OF THE HOUSE

REQUEST FOR STATEMENT ON LEGISLATIVE PROGRAM

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister a question about the intentions of the government with regard to parliamentary business before the Easter adjournment. More specifically, I should like to ask him what business there is likely to be in addition to the supplementary estimates and the legislation on the order paper. I should also like to ask whether there will be a budget before the Easter adjournment, with provision for normal discussion and action.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, we intend to proceed with the matters now on the order paper. The fourth set of supplementary estimates will require to be dealt with this week. In addition, of course, there is on the order paper a motion to set up a commission on redistribution, a matter that has been of continuing interest for years. I feel sure the house will want to deal with that at the earliest possible date. Then there are some other measures, of which the house will be given notice in due course, over and above those that are already on the order paper.

I do not think I can go further at this time. I only hope that there will be a spirit of co-operation on the part of the opposition and that we will not experience again the delays that took place on the earlier supplementary estimates.

Mr. Pearson: Mr. Speaker, what the Prime Minister has called delays were due to the inability of the government to give us information as to the business of the house. May I ask the Prime Minister if he will deal with my question regarding the possibility of a budget before the Easter adjournment.

Mr. Diefenbaker: Mr. Speaker, that will receive the attention of the house in due course.

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM—MEETING BETWEEN MINISTER AND KOOTENAY REPRESENTATIVES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Justice. In view of press reports to the effect that the Minister of Justice has assured Mr. Peter Dewdney of Trail, a solicitor for the Consolidated Mining and Smelting Company and Progressive Conservative candidate in Kootenay West, that he will visit the Kootenays as soon as possible to speak with the authorities on the Sons of Freedom problem, and in view of the interest of all the people in Kootenay West in this matter, would the minister be willing to meet representatives of all the municipalities, all the labour organizations, all the chambers of commerce and all the farmers' and women's institutes when he visits the district?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, naturally I am flattered by the interest and attention that the hon. gentleman shows in my prospective movements. I can assure him that while I appreciate his concern over the situation, it has not been necessary to have his prodding in order to be in touch with many of those whom he has mentioned. What I have done is to assure my friends in that area, of whom I also have many, that at the first possible opportunity I will arrange to have a discussion with them either in the Kootenays or at some other convenient place, depending upon the exigencies of my schedule.

Mr. Herridge: I should like to ask a supplementary question. Are the heads and representatives of all the organizations I have mentioned included in the list of the minister's friends with whom he will speak? That is what I am concerned about.

Mr. Fulton: As I say, I am flattered by this attention to my intended movements. I think the hon. member will have gathered that as yet there is no schedule; therefore his question is a little premature.

ONTARIO—REPORTED LETTER RESPECTING REMUNERATION OF JUDGES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of Justice a question arising out of a statement made by Judge Cooper, retiring president of the county and district judges association of Ontario. The question is, has the minister made any reply to the letter the judge says he sent to the minister on February 8, in which he alleged that Ontario judges were being starved into contravening the Judges Act?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I am sure that if I received a letter from a judge on February 8 I would have replied to it by now.

Mr. Fisher: A supplementary question, Mr. Speaker. Could I ask the minister whether

the government has under consideration at the present time any change in the remuneration of judges?

Mr. Fulton: Mr. Speaker, it seems to linger in my memory that judges are not the only ones who have an interest in changes in their salary or remuneration; I seem to recall a debate on indemnities in this house on the initiative of the hon. member not long ago. I can assure him that the problem he has brought to my attention is receiving the same earnest consideration as the problem he brought to the attention of the house a short time ago.

(Translation):

HOUSE OF COMMONS

BELLECHASSE CONSTITUENCY—REQUEST FOR INVESTIGATION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to put a question to the Secretary of State (Mr. Dorion).

Has the minister a statement to make about the request he submitted to the chief electoral officer to investigate the activities of the returning officer in the riding of Bellechasse? Could he tell us in particular on what date he made that request?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I am glad that the hon. member for Laurier (Mr. Chevrier) asked me that question. I should like to make the following statement on this matter.

Early in February, I think—I cannot remember the exact date—I had the visit of the man who printed electoral literature in 1958, at the request of the then returning officer, who is the official returning officer, Mr. Labrecque of St. Raphael.

I got in touch immediately with the chief electoral officer to communicate to him the information that gentleman had given me. Right at that time I had asked that an investigation be carried out to determine whether that information was true or not.

The chief electoral officer and I had a discussion. We did not agree on the meaning of subsection 14 of section 17 of the Canada Elections Act.

Later on I communicated three times with the chief electoral officer, Mr. Castonguay, at the end of February, on March 10 and finally on March 22.

As the chief electoral officer required that a formal complaint be made, I took it upon myself, on the basis of the information I had gathered during that time, not to lodge a formal complaint but to give the chief electoral officer the information that had been provided to me and I earnestly asked him to have an investigation launched immediately by the R.C.M.P.

On March 22, Mr. Castonguay informed me that the Royal Canadian Mounted Police had been advised and that it was to begin forthwith its investigation, which had been given priority over all others.

Now, of course, until the results are known, the chief electoral officer himself, who is responsible for the administration of the act, is unable to come to a conclusion and take the steps which may be required when the results of the investigation are known.

Mr. Azellus Denis (St. Denis): Mr. Speaker, I should like to ask the Secretary of State (Mr. Dorion) a supplementary question in this regard.

If the investigation report has not been submitted, how could he state the next day that the Quebec Conservatives were victims of calumny. Why not just say slander, or why not simply wait for the investigation report?

Mr. Dorion: Who said that?

Mr. Denis: The Secretary of State (Mr. Dorion), in Montmorency, as reported in the March 24 edition of *La Presse.*

An hon. Member: Nothing but gossip.

Mr. Dorion: I never made such a statement in Montmorency. When I left—

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, a supplementary question—

Some hon. Members: Order.

(Text):

Mr. Speaker: Order. It seems to me that the matter under discussion is now taking the form of a debate. It seems to me also that the subject does not relate to the responsibilities of the Secretary of State as minister but rather as member for a constituency. If the hon. member feels that the statement made needs further elucidation I will allow one further supplementary.

(Translation):

[*Later:*]

On the orders of the day:

Mr. Boulanger: Mr. Speaker, I should like to ask the Secretary of State another supplementary question.

Since the minister was officially made aware of the whole situation at the latest on February 6, 1962, how can he account for the fact that he decided to take action only at the end of March, after Mr. Labrecque's doings had been made public by the press?

Inquiries of the Ministry

Mr. Dorion: First of all, Mr. Speaker, the inference made by the hon. member for Drummond-Arthabaska (Mr. Boulanger) is completely unfounded. Before the press report came out, the investigation was supposed to have started and on four different occasions I had notified the chief electoral officer who—and I would like the hon. member for Drummond-Arthabaska to take a look at the act—is responsible for the administration of the act.

Mr. Pigeon: Good.

(Text):

FISHERIES

NON-ATTENDANCE OF MINISTER AT ANNUAL MEETING OF PROVINCIAL ORGANIZATION

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): My question, Mr. Speaker, is based on an editorial appearing in *The Fisherman* dated March 9 last. In view of the apparent inability of the Minister of Fisheries to attend even one annual convention of the united fishermen and allied workers union on the grounds that he has time to attend only annual meetings of national organizations, would the minister consult with the Prime Minister to see how that right hon. gentleman apparently finds time to open county fairs—

Mr. Speaker: Order. The hon. member's question departs very broadly from the accustomed type of question. It seems that he is intending to convey some argument or information to the house rather than get an answer to a question of fact.

Mr. Regier: If I might ask a supplementary question, Mr. Speaker—

Some hon. Members: Order.

Mr. Speaker: If the minister feels he should comment on the assertion made by the hon. member, he may have the floor.

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I should like to point out that, as all hon. members know, there are many meetings concerning fisheries carried on in every province of Canada, and when an organization of a provincial nature unfortunately has a meeting during the time in which parliament is in session I feel it is my duty to remain here in Ottawa rather than go to all these provincial annual meetings. I might say that in no other case has the executive of any organization experienced any difficulty in understanding the reasonableness of the view that the House of Commons is probably the most important organization in our democratic system, and that it requires our best attention.

(Translation):

NORTHERN AFFAIRS

EDUCATION OF ESKIMOS IN NORTHERN QUEBEC

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to address a question to the Minister of Northern Affairs and National Resources. Did the minister receive a formal request from the government of the province of Quebec that in the future the educational system for the Eskimo population in new Quebec, a territory which was integrated with the province of Quebec in 1912, 50 years ago this year, be placed under the jurisdiction of the government of the province of Quebec instead of that of the federal government?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, the answer to that question is no.

(Text):

EXTERNAL AFFAIRS

CUBA—REPRESENTATIONS RESPECTING TRIALS OF PRISONERS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. Has the government made any representations to the government of Cuba with respect to the trials of those who participated in the attack on Cuba about a year ago?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the Canadian government has been concerned over the fate of the prisoners held in Cuba, and that concern was expressed to the Cuban authorities through diplomatic channels in February. Furthermore, in view of press reports to the effect that the trials of these prisoners are to take place in Cuba later this week, I think on the 29th, instructions have been given by me that the matter be raised once again with the Cuban authorities in order to urge the Cuban government, on humanitarian grounds, that any trials of prisoners should be conducted in a fair and just manner.

There is, of course, a limit to the impact of representations made, because none of the prisoners were Canadians; but this appeal on the part of the Canadian government is made on the basis of what we believe should be the purpose of all governments, namely the maintenance of justice.

Hon. Paul Martin (Essex East): I should like to ask a supplementary question, Mr. Speaker. Is the Prime Minister in a position to tell the house what consequences have flowed from representations which the Secretary of State for External Affairs said some six weeks ago would be made with respect to the apprehension of certain Christian trade union leaders in Cuba?

Mr. Diefenbaker: As the hon. gentleman knows, this is a question of detail and I will make the answer available to him tomorrow.

PUBLIC SERVICE

REPORTED STATEMENT RESPECTING BETRAYAL OF GOVERNMENT

On the orders of the day:

Mr. Alexis Caron (Hull): Mr. Speaker, I wish to direct a question to the Prime Minister. Is it a fact, as stated by the hon. member for Quebec-Montmorency (Mr. Lafreniere) at his convention on Friday, March 23 last, that a part of the civil service is betraying the government? Has the Prime Minister any comment to make thereon?

Mr. Speaker: I am sorry; I did not hear the substance of the question—

Mr. Brunsden: There was not any.

Mr. Speaker: —after the reference to the civil service.

Mr. Caron: This is the question, Mr. Speaker. Is it a fact, as stated by the hon. member for Quebec-Montmorency at his convention on Friday, March 23 last, that a part of the civil service is betraying the government? Has the Prime Minister any comment to make thereon?

Mr. Speaker: I think the hon. member will recall that questions asking the government to confirm statements by individual members have not generally been accepted on the orders of the day, but only where the statement might be construed as a statement of policy by a minister of the crown.

Mr. Martin (Essex East): On a point of order, Mr. Speaker—

Mr. Caron: On the point of order, Mr. Speaker, we want to know exactly whether the hon. member was speaking only as a member of parliament or whether he was giving the views of the government in that matter.

Some hon. Members: Order.

Mr. Speaker: Order. If the Prime Minister wishes to answer he is at liberty to do so.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not seen the report, but I may say that any inference of the kind that is inherent in the hon. member's question is not my view. I am one of those who through the years have had an intimate knowledge of the civil service—my father for 25 years was a member of the department of customs—and my attitude to the civil service of Canada is one of deep trust and appreciation.

POST OFFICE DEPARTMENT

REQUEST FOR COMMEMORATIVE STAMP HONOURING CANADIAN POET

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, to emphasize the interest of this group in the proper recognition of Canadian poets, I wish to address a question to the Postmaster General. Since August 2, 1962 is the centenary of the birth of the youngest of the big four of the confederation poets, Duncan Campbell Scott, would the Postmaster General consider commemorating the occasion with a special stamp?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, the Postmaster General's appreciation of the field of arts and poetry of this country was illustrated in one way at least with the stamp in honour of Pauline Johnson issued about a year ago. Unfortunately it was not possible to include this year in the limited number of stamp issues available, out of the over 100 suggestions we received, a commemorative stamp for Mr. Scott, and at present there is not sufficient time available to produce it.

Mr. Speaker, while I am on my feet I might just add that while Mr. Scott's is a very noteworthy birthday, I would like to pay my own personal regards to the hon. member for St. Denis (Mr. Denis) who has staggered along to another birthday today. Since I probably will not have the opportunity to extend my congratulations to him next year—he will not be here—I thought I would like to do it on this occasion.

Mr. Chevrier: You will be lucky if you are here.

Mr. Azellus Denis (St. Denis): Mr. Speaker, on a question of privilege, may I say a word of thanks to the Postmaster General for his greeting, which I appreciate very much. However, as we have some appreciation of some kinds of communism I want to share everything we have been doing. For four years we have been in the opposition, and I hope it will soon be their turn to take our place.

Inquiries of the Ministry

FINANCE

REPRESENTATIONS BY AUTOMOBILE INDUSTRY RESPECTING BUDGET

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of Finance if it is still possible for certain sections of the automobile industry to make representations to the Minister of Finance in the course of the hearings usually held by a minister of finance prior to the introduction of the budget.

Hon. Donald M. Fleming (Minister of Finance): The door of the present Minister of Finance is always open to any good citizens who have matters of interest to lay before the government, and the fact that they come from a part of the country which is groaning under the kind of representation in this house from which they will soon be delivered is no reason why that door should not be open.

Mr. Martin (Essex East): I thank the minister very much, but may I ask him what would be the latest date when these representations might be made?

Mr. Fleming (Eglinton): I can assure the hon. member that as far as the present government is concerned it will be far, far in the future.

Mr. Pearson: No budget?

POWER

BRITISH COLUMBIA—APPLICATION OF BILL OF RIGHTS TO EXPROPRIATION LEGISLATION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Because of our concern with the principles of the bill of rights and their application, I wish to ask the Minister of Justice another question. Has the minister had an opportunity to examine an amendment introduced by the government of British Columbia to the legislation whereby it expropriated the B.C. Electric Company, to determine whether the provision forbidding recourse to the courts is contrary to the bill of rights or ultra vires?

Hon. E. D. Fulton (Minister of Justice): The question of this legislation has been referred to me and is now under study.

PENITENTIARIES

QUEBEC—CONSTRUCTION OF PENAL INSTITUTIONS

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I wish to direct a question to the Minister of Justice. Would the minister say if it is true that it is the intention of the government to proceed with the construction of penal institutions in the Brome-Missisquoi riding and also in the riding of St-Hyacinthe-Bagot?

Hon. E. D. Fulton (Minister of Justice): Yes. I am glad to note the hon. member's interest in this matter, and to be able to reassure him, as I have already reassured the hon. members for the constituencies he has mentioned, that that is the intention.

Mr. Deschatelets: Is it the intention of the government to proceed with the construction of penal institutions in all the other Conservative ridings in the province of Quebec?

Mr. Fulton: We might in ordinary circumstances prefer to put them into Liberal ridings, where possibly, the need would be greater, but with respect to our construction program in Canada we are limited by the amount of finances available.

NOVA SCOTIA

SYDNEY—REPORTED PREDICTION AS TO FUTURE GROWTH

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of National Revenue whether in a recent speech at Sydney he made a prediction that now Britain was going into the common market, that city could look forward to being larger than Toronto.

Hon. George C. Nowlan (Minister of National Revenue): I have not spoken in Sydney for two years, so I do not think I can be charged with having made any such statement there. However, I am sure this is a vision which could be substantiated some day, given time.

HOUSE OF COMMONS

APPOINTMENT OF COMMITTEE TO CONSIDER GREATER DISPATCH OF BUSINESS

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That a select committee, to be designated, be appointed to consider with Mr. Speaker the procedure of this house for the purpose of suggesting any changes that may be desirable to assure the more expeditious dispatch of public business, and, in particular, to consider the desirability of repealing standing order no. 33 (closure rule), with power to send for persons, papers and records, and to report from time to time its findings and recommendations to the house.

Mr. Pickersgill: Is the Prime Minister going to say something?

Mr. Diefenbaker: The hon. member for Bonavista-Twillingate suggested that I might have a few words to say on this motion. I assure the house that I shall limit myself to

a few brief observations at this time. It will be recalled that in the speech from the throne the following appeared:

> My government intends to ask you to reconstitute the special committee on procedure of the house and request it to make recommendations on the elimination of closure of debates in the House of Commons.

It is in pursuance of that undertaking and promise that this matter now comes before this house.

You will recall, Mr. Speaker, that on a number of occasions the committee has operated in previous sessions and I think, generally speaking, members of the house will agree that the recommendations made have been beneficial to the efficiency and effectiveness of the house. Indeed, I believe that consideration might be given at some later session to having this committee set up each year as a standing committee.

The resolution, as it has been written by the Clerk, asks that consideration be given to the desirability of dealing with standing order No. 33. The purpose of the motion is to enable the House of Commons, through this committee, to give consideration to this very important matter. I could go back over a period of years and point out circumstances which necessitated action being taken in this regard. I could relive past days; but today I have such a feeling of good will to all that I shall not go into that unless pressed to do so by hon. members in any part of the house.

All of us agree that full and free debate is necessary in the parliamentary system, the examination without restraint of the programs and policies advanced not only by the government but by those in the opposition who would provide an alternative government. In the process of national decision-making, the role of parliament is pre-eminent and vital. I believe, in the light of the experience of the past, the principle of closure need no longer be accepted under our system.

There have been tremendous changes since 1913, when it was first introduced in Canada. In the intervening years a number of committees have been set up for the purpose of considering the rules and a number of changes have been made, with the result that the time within which discussions can take place in parliament has been reduced. When closure was first introduced in 1913, parliament had had the experience over a period of three or four years of unlimited discussion. Indeed, in the debates in 1910 and 1911 and again in 1912 and 1913; in debates earlier on the navy bill and on the subject of reciprocity, and later, again on the navy bill, legislation introduced by the Borden government, the House of Commons sat for an almost unlimited time. I have not recently reviewed this, but I think there were a number of occasions when the house sat by day and by night for more than a week, broken only by Sundays.

Then came the changes. There was the determination of the length of speeches, first limited within recent years to 40 minutes and then reduced still further in the house. In committee, in recent years changes have reduced the time to 20 minutes.

I know there are issues upon which lengthy speeches are necessary on the part of the leaders of the government and of the opposition, but generally speaking my own experience in the house has been this. After half an hour or 35 or 40 minutes one has been able to say all that would be necessary on any particular subject. All of us, because of the limitations placed on speaking time, tend to make the maximum the minimum. I know that is human nature. When we decided we would set a limit of 40 minutes on speeches in the house, hon. members found it necessary to speak 40 minutes; otherwise it might be said that they had not fully covered all the matters they should have covered in the period available to them.

When closure was introduced originally there was unlimited time. I believe everything we can do to improve the standards of parliament should be done. The doctrine of parliamentary supremacy demands the maintenance not only of the forms of parliamentary government but also of its soul. I said that in this house six years ago and I still believe it to be true. I also said on an earlier occasion that it is the right and duty of the opposition to advance their arguments and to educate public opinion. I still hold this view.

I believe I was elected to this chamber for the first time 22 years ago today. In the intervening years I have tried to look at parliament objectively, to understand that indefinable something that comes only from membership. I often hear people say that if they were in parliament they would do thus and so. Well, all of us have those views when we become members for the first time, but in the passing years we find that the rules governing debate are necessary, based on experience, and generally speaking provide every opportunity for full discussion.

We in parliament have a duty to preserve the freedom of debate because our freedom, the freedom of parliament, is essential to the freedom of the people we represent. When we have rules that confine or limit our freedom in debate we are permitting rules that also limit freedom in Canada outside parliament as well.

I need hardly quote anyone in that connection, but permit me to recall the words of the late Mr. Ernest Lapointe who, speaking in the house on March 29, 1932, said:

The first duty of parliament is to remain a parliament, not to become a subservient and ornamental body. Parliament has a right which is certainly paramount to the convenience of the prime minister, the right to live. It has the duty to defend itself and not to allow anybody to invade its rights and privileges. It is the will of parliament, not that of the government, that is the will of the nation.

In the same year a former prime minister, Mr. Mackenzie King, made the following statement in reference to the imposition of closure:

I want to make it perfectly clear, Mr. Speaker, that the battle which has been put up in connection with this measure is not merely over the rights of minorities or the rights of majorities; it is true that it has to do with the rights of both; rights, which in the case of the majority no less than in that of the minority are threatened—

The committee, representing this House of Commons, will make its recommendations. I believe that the closure rule is no longer necessary. Its original purpose was to terminate excessive debate or systematic obstruction. Where there has been obstruction in this house, however far it has been carried, I have taken the stand that under no circumstances should the motion for closure be made. I believe that the experience of a few years ago has assured that never again will closure be applied in this House of Commons. I hope that the fullest consideration will be given to this question by the committee when established.

The use of closure arose by reason of the terrific obstruction that occurred in the British House of Comons during the days of the home rule debate. It came to Canada in 1913 under the government of Sir Robert Borden. It was used on three or four occasions, the last of which was in 1956 under the government of Right Hon. Louis St. Laurent. As long as our rules provide for the use of closure it can be misused. On the basis of the experience of the past I feel we should give the fullest consideration to this because governments, whatever their political stripe, with the closure rule at hand have an invitation to do the things that the rules permit.

I shall say no more. I have endeavoured to speak objectively without going into detail and without citing the unhappy experiences of the past with regard to the use of closure. I shall refrain from saying more, because I feel this matter will be dealt with objectively by the all party committee when it is set up. Your Honour will head that committee. I urge the establishment of the committee and trust that on the basis of the experience of the past and the knowledge of the committee it will bring in an early report and recommendation to the house.

[Mr. Diefenbaker.]

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I am glad the Prime Minister reminded me of something I might otherwise not have remembered this early in the day, and that is that although today is a Monday, and he was elected to parliament on a Tuesday, this in the 22nd anniversary of his election to parliament. In view of the shadows which events have cast before them the Prime Minister will appreciate my being somewhat measured in my expression of congratulation, but I will say that the parliament of Canada would have been a very different place if the right hon. gentleman had not been elected 22 years ago.

It is perhaps not the role for which I am most notorious in the house, but I cannot forbear to congratulate the Prime Minister on something else, namely the tone and temper of his speech today in moving this motion. I am afraid the Prime Minister will have disappointed the press, whose advance notices of his speech were somewhat more lurid than the fact justified. However, in this instance I think the Prime Minister has been wiser than those who sought in advance to forecast what he would do.

Mr. Diefenbaker: I could be provoked.

Mr. Pickersgill: The right hon. gentleman almost seems to be inviting me, Mr. Speaker. I can assure him that at the present time I would be extremely chary about responding to his invitation in the affirmative. The Prime Minister talked about the need to be expeditious—and the motion also mentions the matter—in the conduct of our business, consistent with proper debate of public issues. I must say that, having regard to the temper and tone of the house at the present moment, I think no one would quarrel with that at all. If the debate continues in the way in which it has begun I think there will be no need for any prolonged discussion on this motion at all. From the main part of the motion we on this side of the house have no dissent whatsoever. Perhaps I might just refer to the words:

That a select committee, to be designated, be appointed to consider with Mr. Speaker the procedure of this house for the purpose of suggesting any changes that may be desirable to assure the more expeditious dispatch of public business—

That is the main part of the motion. The next phrase, on which I will say a word or two in a moment, is of course merely a subsidiary feature of the main motion. I think we are all agreed with the main motion, particularly after the experience of the session of parliament of 1961. In the light of the private circumstances of many hon. members I think all of us feel that if, by co-operation between the two sides of the house with

regard to the business, we can reduce the length of the sessions of parliament and still deal with the public business effectively, we should do so.

In my opinion we would be more effective if we reduced the length of the sessions. I also think it would have this other advantage. If members were away from the house and in their constituencies longer between sessions this would be a better representative body than it is when we are here for so many months of the year. Hence from every point of view it seems to me that there is the strongest possible argument for reducing the length of sessions and reducing unnecessary debate as much as possible. I refer to unnecessary debate, not necessary debate.

I agree completely with the Prime Minister in his view that the most important of all our functions in this parliament is to uphold the right of freedom of speech for all our citizens through their representatives, so that we shall really have self government. That, of course, is the purpose of the House of Commons. It is not the duty of the House of Commons to govern. That is the duty of Her Majesty's ministers. In those famous words of Sir Wilfrid Laurier in 1877, it is the duty of the House of Commons to watch over the government in order to see that the government does that which the people want done, and only that. That is an extremely important function.

I also agree—indeed it would be rather ungenerous of me not to do so—with what the Prime Minister was good enough to say about the work of Your Honour's committee in the last two sessions of parliament. I think the experimental changes that we have made in the rules have resulted in distinct improvements in the procedure. I do not intend to take up any time going into the details of those changes. I certainly hope this committee will have time enough at the present session to recommend that some of those experimental changes be put permanently into the rules, as I think they have worked out in a way that commends itself to nearly all hon. members.

If it will not be taken amiss, I may say that those of us from this side of the house who have served on that committee always did so in the lively expectation that some of us would once more be on the treasury benches and hence felt that we ought to look at the rules from the point of view of both sides of the house. That is something that is very important to remember. We need to remember two things. In these modern days, with modern communications and modern menaces, we need to remember that there must be power in the government to act and to do so expeditiously in times of public danger, and that we cannot have a parliamentary system that is going to endanger our very lives. At the same time we must do nothing which will make the government so independent of parliament that the representatives of the people do not have over the government that constant control which is the glory of our British system.

Having said that, I come to the specific suggestion made in the Prime Minister's motion, in these words:

> —and, in particular, to consider the desirability of repealing standing order No. 33 (closure rule)—

I do not wish to be a purist. If I had been drafting such a motion I am not sure that the precise word I would have used would have been "desirability". However, that is an unimportant matter. I agree with the Prime Minister. He may be surprised to find my saying this without any qualification. I agree with the Prime Minister—and I have no more desire or intention than he seemed to have to relive the past or to try to rewrite it or do anything of that sort—that, having regard to what has happened, I believe that no government in its senses would ever again use the existing closure rule in our book. I therefore do not see any sense in leaving it there. Moreover, it will be recalled that before the Prime Minister became Her Majesty's chief minister in this country, in the election campaign of 1957 he undertook if he formed a government to repeal the closure rule at the first session of that parliament. He gave a similar undertaking in 1958.

I am also not going to say anything more about that matter. However, since the government has twice received a mandate when that was a part of its program, it seems to me that it would be desirable just to repeal the rule right now. It does not seem to me that there is any need at all to send this particular rule to the committee. If it was not, it seems to me that the committee would then be freer to consider these other things.

Moreover, this was a matter of acute party controversy in the past. I do not think that is the situation now, particularly as in what I have just said I believe I speak for all my friends in the house. It seems to me that it would be preferable to have the motion extended and simply to repeal this rule.

There is another reason for that procedure, and again I do not wish to exaggerate this matter; I do not wish to make it seem too important. However, His Honour the Speaker, if this motion is carried, is to preside over this committee. If we can settle here in the house something that has been a matter of political controversy without

remitting it to a committee over which Your Honour presides, it seems to me that would be the preferable course.

Beyond that, I speak for my friends, I think, when I say that we will support the Prime Minister's motion and its main objective. If a committee is set up and if reasonable time is permitted to the committee to carry on its work, we will endeavour, in the same spirit in which we have operated in the last two sessions, to seek the objective which the Prime Minister set out as the principal objective of his motion.

I had intended to propose a small amendment to the Prime Minister's motion but I am not going to do so now. I simply wish to tell the committee what was in my mind before I heard what the Prime Minister had to say. I will read the amendment which I had thought it might be desirable to move as one that might commend itself to both sides of the house. It is is these words:

That the motion be amended by striking out the words:

"and, in particular, to consider the desirability of repealing standing order No. 33 (closure rule),";

by substituting a semicolon for the full stop after the word "house" at the end of the motion; and by adding the following words:

"and that standing order No. 33 (closure rule) be hereby repealed."

I appreciate that there might be some difficulty and some embarrassment for the government and perhaps some other technical problems if I were to propose this amendment. Here, sir, I am speaking for myself, and while I may be taking a rather long chance I hope that what I am going to say will commend itself to my friends. I should like to appeal to the Prime Minister to adopt this suggestion. I do not say that he should use these precise words, and it might require unanimous consent for him to do so, but I would hope that this suggestion might commend itself to everyone in the house.

The Prime Minister, and I agree with him completely, says that this rule should never be used again. Let us take it off the books and let the committee start from there in the spirit that would be created by doing so. It seems to me that would give us even greater hopes than we might otherwise have of making real progress in a matter about which I do feel we should seek to be as nonpartisan as possible consistent with our duty.

Let me say that I have no apology for being partisan. It is through political parties that we have self government. I am not ashamed of that at all, and I know the Prime Minister is not either. But there are some matters with respect to which it is certainly preferable not to be partisan if the objective can be accomplished in any other way. Rather than move this amendment I feel, therefore, that I should ask the Prime Minister whether he or his colleague the house leader, or someone else speaking for the government, would be prepared by consent and by agreement to dispose of this matter in this way, which I believe would be in the general interest. If I may, sir, I should like to send two copies of this document across the floor to the Prime Minister so that he may have the opportunity to look at it.

I say, sir, that we believe there is a real opportunity today to do something which will make parliament a better and more effective instrument for the service of the Canadian people, and I am sure everyone in the house is agreed that on this day, the anniversary of the Prime Minister's election to parliament, we would all like to do that.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I also wish to add my words of congratulation to the Prime Minister on having been a member of parliament for 22 years. I can well remember the day on which he was first elected. I believe most people in his province were very proud of his election on that day 22 years ago.

I want to say at once that I am most appreciative of the consideration of the hon. member for Bonavista-Twillingate in not moving his proposed amendment. This is a day, Mr. Speaker, on which parliament looks at itself, and I believe that every once in a while a look at ourselves is a welcome procedure. I am unable to agree with the proposal of the hon. member for Bonavista-Twillingate. As I take it, he is proposing that the resolution should be amended to provide for the abolition here and now of standing order No. 33 without reference to a committee. While on many occasions I take advantage of my rights in the House of Commons to squeal, complain and shout as loudly as I can against actions of the government, to me the basic factor is that when the people of Canada give a majority to any particular party in an election, they also grant to that government the authority to have its way. To my mind the majority must prevail, Mr. Speaker, but the majority is strengthened when it pays proper respect to minority opinion.

I should not like to think we would ever manoeuvre ourselves into the position where an opposition group or groups would be able to frustrate the will of the duly elected government. Within recent days I have seen far too much of the ability of opposition groups in other countries to frustrate the will of the duly elected government. Inasmuch as we generally have elections every four years, I

believe that once the people have decided upon those in whom they have confidence it behooves opposition groups and more particularly opposition leaders to remember that in the long run the majority party must be permitted to have its way. If the majority abuse their power the electors will have a chance to express their opinion on the actions or inactions of the government at the time of the next election.

Therefore when we talk about abolishing the closure rule I think we should be very careful. I believe the Prime Minister is most wise in asking that the question of the abolition of closure be referred to the committee on procedure headed by Your Honour, because we could get ourselves into a position which either we or those who come after us might live to regret.

I remember that in the election campaign of 1957 our Prime Minister pledged to the Canadian people the abolition of the closure rule. Now in 1962, five years later, at long last we are faced with action in this regard. The action, of course, as I indicated earlier, consists of a reference of the matter to a committee. There is no assurance that there will not be another election called before this committee is able to consider this particular reference, bring in a report and have that report adequately considered in the house.

As I said before, we in this group welcome this move on the part of the government. However, we should like to qualify our welcome by saying it is our firm conviction that under our system of government, as we have known it in the past, nothing should be done that will prevent a government that has been duly elected from having its way in the long run. In my opinion, Mr. Speaker, the only time opposition political parties have the right to frustrate the will of the government that has been elected by a majority of the people is when the government has completely violated basic human rights as we know them. I am a great believer in the rule of law. There are far too many areas of the world in which the rule of law is subjected to many qualifications. I would not like to see this parliament do anything that would limit the normal supremacy of the will of the majority of the people as expressed on election day.

I hope no one will mistake me when I endorse this particular viewpoint. I believe that the majority is really strengthened by granting every possible right to the opposition and to the minority. I would be the last one who would be prepared to sacrifice any of the existing rights of the opposition or of a minority. If this resolution passes I should like to see the committee pay very close attention to the possibility of greater consultation amongst the house leaders of the various parties in relation to the order of business and the length of time that ought to be allotted to the various matters coming before us. I believe this is the practice in other democracies to a greater extent than it is here.

I should like also to see the committee pay very close attention to the practice in other democratically elected parliaments relating to the establishment of orderly and ordered sessions of the house. If we knew in advance that we would be here from say January 9 until April 1, then have a month's recess and be here from May 1 until July 1, from September 5 to October 31—these are only abritrary dates—and then have a recess for the months of November and December, I believe our house leaders and our party whips would very soon accommodate themselves to the business at hand. I know this practice prevails in a number of other countries, and I should like to recommend it in all sincerity for the serious consideration of the committee. I believe that if we had this kind of arrangement we would not be engaged in a debate as to whether or not the closure rule ought to be abolished.

There is another recommendation I should like to make, not to the committee but to the government itself. I believe an attempt should be made to have the blue book of estimates a little more accurate than it is at the moment. I notice a growing tendency on the part of the government to introduce increasingly large amounts by way of supplementary estimates. In this particular session I believe we are about to be faced with the fourth list of supplementary estimates. I understand, though I may have been misinformed, that the sum total of the four lists of supplementary estimates equalled 25 per cent of the main estimates in the blue book. Surely this is a flaw, when departments are asked in October to prepare their estimates and submit them to treasury board, yet many months later we are faced with the fact that the estimation of these departments has been wrong by 25 per cent.

I believe this is a habit that is becoming almost an evil so far as orderly parliamentary procedure is concerned. The government is providing the opposition with an opportunity for delaying the business of the house and, as the hon. member for Bonavista-Twillingate mentioned, for unnecessary debate. I would appeal to the government henceforth to order departments to attempt to reduce the amount that it may be necessary to request in supplementary estimates.

Committee to Consider Business of House

The Prime Minister made one statement that surprised me a little bit. He has moved a motion to the effect that it is desirable to repeal standing order No. 33, the closure rule, and that the matter be referred to a committee. At the same time he did something that was a little unprecedented, in that he offered a lot of advice to the committee. He stated that the closure rule is no longer necessary. He added also that never again will closure be applied. I felt that these two statements were a bit unfortunate, in that they might prejudice the thinking of the committee that is to meet. He said, too, that governments have the temptation to use the methods that the rules permit. I took down this statement as closely as I could, but there may be a word or two out of line. As I have it, he said that governments have a temptation to use the methods that the rules permit.

This has not been my experience, Mr. Speaker. I believe this is a reflection on the government of the Prime Minister, and also a reflection on past governments. In the main I can honestly report that I have always found the government of the day, whether Liberal or Conservative, rather anxious to bend over backward in order to permit the opposition to have its say. I believe that the Prime Minister is a little out of line in the aspersions he is casting not only upon his own government but also on other governments of the past when he says that governments have the temptation to use the methods that the rules permit.

Our group feel that merely because of one unhappy and unfortunate incident when the St. Laurent government applied closure unnecessarily and most prematurely—and, as events proved, it served no useful purpose; if anything it only lengthened the debate which the government of the day was seeking to curtail—this is a very poor excuse for wanting to go whole hog and completely abolish the right of the government of the day to have its way. We agree that the closure rule needs amending. However, I do maintain that after debate for a period which has been agreed upon by all parties the will of the people of Canada ought to be expressed in the form of legislation, no matter how distasteful that legislation may be to opposition groups. It ought to be left to the people of the nation at the time of the next election to express their opinion as to the deeds or misdeeds of the government of the day.

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

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: Order. I must inform the house that if the Prime Minister speaks now he will close the debate.

[Mr. Regier.]

Mr. Diefenbaker: Mr. Speaker, it is on occasions such as this that parliament is at its best. I appreciate very much the expression of views by the hon. member for Bonavista-Twillingate. I will refer to the suggestion that he made in a moment.

If one goes back to 1957 one finds that in November of that year, I think it was, I placed a motion on the order paper which would have abolished the procedure of closure had it been accepted. Then there were other events that required attention; other matters arose, and finally there was dissolution at the end of January, 1958. I have found over the years that the novelties of today become the accepted things of tomorrow. In 1957 the press of Canada was very divided on this matter. I had stated that our view was that closure should be abolished and, as the hon. member for Bonavista-Twillingate has stated, it should never be used again. I believe that is correct. The only times it was ever used in Canada it was followed by the defeat of the government which used it, when the people had the first opportunity to vote either for or against the party that brought it into being.

Mr. Pickersgill: Not in 1917.

Mr. Diefenbaker: Oh, not in 1917, but we are not going into the history of 1917. As I recall it, the closure at that time was not brought in by the union government. I am speaking now from recollection, but I think the union government was formed afterward. Closure was used in 1917 in respect of various matters of legislation introduced by the Borden government before a union government was formed. Then many Liberals joined with the Conservatives of that day and formed the union government. In 1917 the vote had nothing to do with questions of party government; it was a vote on the necessity of a subordination of party considerations to the objective of winning the war.

In 1957, when I first dealt with this matter in Toronto at the opening of the campaign of that year, there was divided opinion expressed in the press. I have found over the years, Mr. Speaker, that when you have an objective in mind you cannot always secure it by immediate action; it takes time for public opinion to be educated. I would be the last one to bring into this amicable discussion today anything that might shatter the unanimity of the government and the official opposition, but I am sure nobody will deny me the satisfaction of saying I am happy to learn that the stand taken by this party is now accepted by the Liberal party in opposition. That shows the benefit of discussion and the results that come from taking stands that are proper, appropriate and necessary.

I thank the hon. member for his suggestion. However, it is a singular circumstance that the opposition to anything of this type comes from an hon. member who belongs to a party which must look so far ahead. For, after all, the hopes of political parties go ahead for generations. He looks to that day when the party he represents, whatever its name may then be, because it may have been succeeded by one of another name, but ultimately a party of some kind espousing the national socialism which he also espouses, might find it necessary to have this power in order to carry through its policies. I took it that the hon. gentleman was looking a generation ahead and he realized that with the removal of closure it might be impossible to achieve that for which his party stands.

Mr. Pickersgill: Mr. Speaker, I wonder whether the Prime Minister would permit me to ask him a question.

Mr. Diefenbaker: Yes.

Mr. Pickersgill: I wonder whether the Prime Minister was not reflecting, as I was when the hon. gentleman was speaking, on the kind of letter he is going to get from Mr. Knowles when he reads his speech.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Mr. Speaker, that is a very penetrating question and one that I am sure penetrated the sensibilities of the hon. member for Burnaby-Coquitlam (Mr. Regier). However that may be, he recently had the opportunity of viewing parliament in another portion of the commonwealth, and spoke with that authority which comes from knowing how governments operate in other parts of the world. I took it that he referred to that experience when he was a one man representative of Canada to British Guiana.

However that may be, I think it would be well not to follow the suggestion of the hon. member for Bonavista-Twillingate, because it might be thought by those who represent the third party that an unfair advantage had been taken of them by so rapid an agreement on the part of the official opposition.

Such a reformation on the part of any party has, I think, never been equalled since biblical days in the case of Saul. This has been one of the most unusual transitions and changes. Even so, no one would deny that it is a worthy step forward. I compliment the official opposition for this and, speaking most seriously, I thank the hon. member for this suggestion. In order to prevent the possibility of a numerically small group in the opposition saying that advantage was taken of them, the committee might meet and give a report on this matter at the earliest possible date. It should not take long now, in view of the unanimity among more than 95 per cent of the membership of the house. A unanimity of 95 per cent should assure that the committee will be able to report on this, and then action can be taken immediately. Certainly I thank the hon. member for having taken this step. I know now that the committee will operate with assurance and effectiveness.

The hon. member for Burnaby-Coquitlam said that I, in the course of my remarks, had prejudged what the select committee might do. Nothing of the kind. Anyone who knows the stand I have taken knows that this has always been my stand since 1956, and that the attitude taken today will not have changed that in the slightest degree. This being so, the committee can meet and report on this matter and we shall be able to carry out almost immediately the abolition of closure.

I do not think there is any more I need add. I am pleased with this attitude on the part of the official opposition, and can only say that parliament will always discharge its responsibility for the benefit of all the people when members are prepared to stand up, as did the hon. member, and take the position he did. It is quite the antithesis of what took place in 1956, but the hon. member will recall what Sir Winston Churchill said at one time, though these are not the exact words: "I have never developed indigestion as a result of having to eat my earlier words".

Motion agreed to.

VETERANS' LAND ACT

AMENDMENTS TO EXTEND QUALIFICATION PERIOD, ETC.

Hon. Gordon Churchill (Minister of Veterans Affairs) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Veterans' Land Act to extend the period during which a veteran may qualify for benefits; to establish dates on which persons shall be deemed to be discharged; to extend the repayment period of loans; to enable the director to arrange group life insurance for veterans on a voluntary basis; to increase the rate of interest where a property reverts to the director; to increase the maximum assistance under part II; to provide further financial assistance to certain full time farmers; to provide further financial assistance to part time farmers and commercial fishermen; to extend the purposes for which a part III loan may be used; to extend the uses to which proceeds of a sale or other disposition of land may be put; and to provide for the release to a veteran of a portion of the land on which he is established.

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

Mr. Carter: Does the minister intend to make a statement?

Mr. Churchill: The statement I have to make will run for about 12 minutes, but I am sure there are other hon. members who will wish to comment on this subject because of its great importance and interest to veterans who have been settled on land in all the provinces of Canada.

The Veterans' Land Act has been in effect since 1942, and this is the fourth occasion since 1945 when action has been taken to amend its provisions. The last changes made to the act in 1959 were both important and extensive. Undoubtedly the major amendment enacted then was that which substantially increased the maximum amount of loan the director was authorized to advance, on a broader basis of security, to a full time farming veteran for the development and operation of an economic family farm unit. In general the changes made almost three years ago were aimed at bringing the lending provisions of the act into line with increases which had occurred over the years in land, building and other costs.

In the main, the purposes of the present amendments are basically similar to those of 1959; to assist qualified veterans to acquire farm or home ownership in keeping with their particular or changing requirements by expanding and increasing the financial provisions of the act. As compared with the situation following the amendments in 1959, study of the land and building costs involved in the recent settlement of veterans as small holders or under part II has established that the existing financial assistance available to such veterans is inadequate. It is proposed, accordingly, to increase from $10,000 to $12,000 the maximum amount the director may advance on behalf of an eligible veteran for the construction of his home under part II of the act. In conjunction with this increase it is proposed to raise from $800 to $1000 the minimum security in land or money which a veteran must furnish to the director before a contract is entered into.

Another proposal of a similar nature would increase the maximum loan presently available under part III to small holders and commercial fishermen from $3,000 to $4,800. In conjunction with this increase it is proposed to reduce the amount of contribution required of each such veteran to $1 for each $4 loaned by the director. At present the veteran is required to contribute $1 for each $3 advanced. The combined effect of both these proposals would increase from $10,000 to $12,000 the maximum amount available for the settlement of veterans as small holders and commercial fishermen, at an initial cost to each veteran of only $200 more than the amount of the initial deposit and contributory payment he is now required to make.

When related to the beneficial results of the government's action last summer to reduce to one half acre the minimum land requirement for small holding settlement, it is considered that these proposals to increase materially the maximum amount available for such settlement will facilitate and accelerate the establishment of many more thousands of veterans. From inception of operation to December 31, 1961, a total of 47,575 veterans had been settled as small holders. Of this number 1,814 have been approved for financial assistance in the first nine months of the current fiscal year as compared with 1,424 in the same period of 1960-61. Since the beginning of last July small holding settlement has been 45.9 per cent greater than in the same period of the previous year. Notwithstanding this increase, there remain over 12,000 veterans who are already qualified for this type of settlement but who, in the majority of cases, have been precluded to date from actual establishment due to insufficient funds and because of the difficulty they previously experienced in acquiring land of adequate size to meet the minimum required.

A further measure of considerable benefit to small holding and commercial fishing veterans will be contained in a proposal to enable the director to make additional loans under part III to such veterans who are already settled. Since part III came into effect in 1954 it has been possible to make loans thereunder to small holders and commercial fishermen only at the time they were being settled. It was believed that the additional financial requirements which veterans already settled might have for effecting alterations or additions could be met under the provisions of part IV of the National Housing Act. While many loans have been so made, the arrangement has never been considered too favourably by veterans, and has presented certain administrative difficulties.

At present there is more than one maximum amortization period. All repayable contracts relating to land and buildings under part I can be extended over a period not in excess of 25 years. This same maximum term applies to loans made to small holders and commercial fishermen under part III. However, part III loans advanced to full time farmers may be repayable over a period of 30 years. The bill will propose amendments to various sections of the act to increase the maximum repayment period to 30 years.

The major changes made in 1959 to the farm credit provisions in part III of the act have been well received and, as anticipated, have enabled a considerable number of full time farming veterans to extend their enterprises to sound economic proportions. From

the time the part III provisions were promulgated at the beginning of September, 1954 to December 31, 1961, a total of 6,855 additional loans were made to full time farmers already settled. Of this number over 50 per cent were made subsequent to August, 1959 when the amendments made in that year became effective.

The existing farm credit provisions, with one exception, have been found to be reasonably adequate and satisfactory to meet the requirements of the veteran whose circumstances are such that a loan can be made to him for the development and operation of an economic farm unit. To overcome the deficiency which has been encountered in some cases it is proposed to extend the purposes for which a loan may be advanced to permit the payment of farm related debts such as a feed bill, taxes, etc. Any loan made for debts of this type is in the nature of debt consolidation. The proposal will also provide, therefore, that a loan for such a purpose may be made only once to a veteran, on the occasion of the first loan he receives after the enactment of the amendment.

In comparison with the well established veteran farmer for whom the existing provisions of the act have been found to be reasonably adequate, it has become increasingly evident that the same provisions do not meet the needs of an appreciable number of veterans who are settled on what might be described as small family farms. I am not referring here to marginal units or marginal operators. The small family farm of which I speak may be classified as one where the farm income permits an acceptable standard of living to the owner-operator and his family, and which may be supplemented by some off-farm income, but where the physical and financial attributes of the unit or the owner-operator do not permit the development of a strictly economic farm unit.

It is estimated that approximately 6,000, or slightly over one third of the veterans who are still settled under the act as full time farmers, are established on properties which today cannot be considered to be fully economic family farm units. These veterans and their families invariably wish to remain on their farms in their existing communities but require additional financial assistance, usually for basic herd livestock, soil improvement, and permanent improvements to the farm buildings including hydro and sewage facilities.

To meet the additional credit requirements of these veterans who are settled on small family farm units, it is proposed to enact a new section under part III whereby fully repayable loans bearing 5 per cent interest over a maximum repayment period of 30 years may be advanced for practically all of the purposes for which part III loans may otherwise be used. The maximum amount which could be advanced under this new section to a veteran on a small family farm would be the lesser of $6,000 or $12,000 less any indebtedness outstanding under existing contracts the veteran has with the director under parts I and III. In no case would the amount advanced, together with the indebtedness outstanding, exceed 75 per cent of the market value of the farm land as determined by the director.

The provisions of this proposal, in conjunction with the fact that the trained and experienced staff of Veterans' Land Act credit advisers is again in a position to provide an advisory service to veterans established as full time farmers, should assure attainment by the veterans concerned of a better standard of living for themselves and their families. These factors will also make it possible for economic growth to take place within the line fences of the small family farm, and it is contemplated that such growth will be sufficient in some cases to enable the director to advance the larger loans which are available under section 64 for the development and operation of fully economic farm units.

Recommendations have been made periodically over the years by the Royal Canadian Legion and others relating to the matter of insurance protection on the life of a settler under the Veterans' Land Act. In light of the fact that the plan applicable on a compulsory basis to borrowers under part III of the Farm Credit Act has recently been extended on a voluntary participation basis to farmers who secure loans under part II of that act, there is now reason to believe it might be possible to arrange for the provision of such protection to Veterans' Land Act settlers on a similar basis. A proposal is being introduced, therefore, which will enable the director to endeavour to arrange, on satisfactory terms, a group life insurance plan on a voluntary participation basis.

The major change made in the recent amendments to the War Service Grants Act was to extend to October 31, 1968 the period during which application may be made for unpaid war service gratuity and outstanding re-establishment credits. It is proposed to make a similar extension in the Veterans' Land Act and establish October 31, 1968 as the deadline by which veterans must be qualified to participate in the benefits of part I of the act.

Another proposal will be introduced which will also involve the establishment of a date, in fact two dates. At present the legislation specifies that a person who served in world

war II or in Korea must be honourably discharged to qualify as a veteran for the purposes of the Veterans' Land Act. However, many persons who continued to serve in the forces were not discharged at the conclusion of their war service. It is proposed that, for the purposes of this act, such veterans will be deemed to have been honourably discharged on September 30, 1947, in the case of those who served in world war II and October 31, 1953, in the case of those who served in Korea.

Experience has shown in some instances that, without endangering the security position of the director, better and more equitable use might be made of proceeds from the sale or lease of mines and minerals, or attributable to permanent improvements effected by a veteran, than is now possible. It is proposed, accordingly, to increase the purposes for which such proceeds may be used.

Mr. Chairman, I have outlined the major amendments to the act to which this resolution pertains. There will be, in addition, a few changes of an administrative nature to which I need not now refer. I might merely add that some of the points I have mentioned are of a technical nature.

We wished to accomplish two things in respect of this act. First we wanted to bring it into conformity with other related acts by extending the date of the application of the measure to 1968 so that veterans who have not been in a position to take advantage of the Veterans' Land Act may have plenty of time in which to make up their minds and look into the problem. Second, we considered that while we were doing that we might also introduce certain other amendments which would make the act better suited to the changing conditions that have occurred in the last few years. It is in that spirit that I bring these amendments forward. I appreciate the fact that it may be in the committee stage, after the bill has been before the house, that it will be possible to answer some of the questions which may arise.

Mr. Carter: This is a lengthy resolution, Mr. Chairman. It proposes no less than 11 separate changes in the Veterans' Land Act. If we examine the resolution, it seems to me that by far the most important changes are those which propose to increase the maximum assistance under part II of the act—that is the part which provides assistance for veterans who wish to build on city lots—to provide further financial assistance to certain full time farmers and to part time farmers and fishermen; and to extend the purposes for which part III loans are used. Consequential on those four main amendments are three others. There is one to extend the period in which a veteran may qualify; another to establish dates on which veterans may be deemed to be dicharged; and a third to extend the loan repayment period.

I am sure that all of these changes will be warmly welcomed by veterans all over Canada. They are in line with the recommendations made by the veterans, the Canadian Legion and other veterans' organizations. We strongly support these proposals and commend the minister of bringing them in at this time.

Then there are four other unrelated changes. One is to increase the rate of interest where property reverts to the director. Another is to extend the use to which the proceeds of the sale or other disposition of land may be put. The third is to permit the release to a veteran of a portion of the land on which he is established. The last one is to permit voluntary group life insurance for veterans to be arranged by the director. The minister did not make such reference to this particular change. One must assume that the group insurance envisaged in this resolution will be arranged with commercial life insurance companies rather than under the Veterans Insurance Act.

These proposed changes which the minister has outlined to us in this resolution are very much in line with a report put out by the veterans land administration in a summary of a survey which they conducted between July, 1957 and September, 1958 of 5,000 V.L.A. farmers who have been settled under the Veterans' Land Act. On the cover of this document it is stated:

> The survey was designed not only to obtain statistical information and as a staff training exercise in the assessment of credit needs but, and more particularly, to create an occasion for the credit advisor and each of his farmers to sit down together and discuss the progress of the enterprise to date and to go carefully into the farmer's plans for the future and particularly what he could and would do with more credit were it available to him.

This report contains such extremely useful information that I think it should be put on the record for consideration when the bill arising out of the resolution is introduced into the house. The first paragraph of the report states in part as follows:

> It was also planned that this survey would include an individual calculation of the amount of additional credit required to put on a sound, economic family unit basis, each and every V.L.A. farm enterprise which had in it the potential for success. This survey was also intended to bring out the purposes for which additional credit was now required, and the extent and nature of the assets available as security.

Then it goes on to give some interesting statistical information with relation to the present farm income of the 5,000 V.L.A. farmers who participated in the survey. On page 2 we find that the net income per

farmer, including farm perquisites and an allowance for home use, was $3,207, but that the amount of income required to give an average standard of living, including farm perquisites and allowance for home use was $4,309. Hence there was a shortfall of around $1,000. The survey came to the conclusion that the average amount which, after careful consideration in each case, it is estimated could be earned if necessary reorganization and/or refinancing were carried out was $5,186. In other words, farmers were capable of producing increased income of nearly $2,000.

On page 3 we see that the average total credit required by the settlers in order to put their units on an economic basis worked out to about $9,740. As to the purposes for which the credit was required, 36 per cent of it was for land, including soil improvement such as liming and permanent planting such as orchard and bush fruit; 14 per cent was for farm buildings; 8 per cent for the farm house; 30 per cent for basic herd breeding stock; 10 per cent for essential farm equipment and 2 per cent for working capital.

On page 4 the survey also points out that of the 5,000 farm units which were analysed, 1,441 would appear to be best advised to continue as at present, with the same farm and the same type of enterprise; 808 should continue with the same land but change enterprises to a greater or lesser extent; 1,359 should enlarge farm but continue same enterprise; 618 should enlarge farm and change their enterprise; 104 should sell present farm and buy a better one; 508 are now, or should be, operating their farms only as a supplement to full time income from some other source; and 162 should sell their farm, get away from the farm entirely and try to get some other type of employment.

The resolution apparently seeks not only to remedy some of the needs brought out in the survey but also to go further and, if I understood the minister correctly, make the benefits under the Veterans' Land Act available to a larger number of veterans, many of whom cannot now qualify. In reading this very interesting document I could only wish that a similar study had been carried out with respect to commercial fishermen. I come from a province where the people depend largely on the fishing industry and I represent a community where 90 per cent of the men are fishermen. Therefore it will be understood that this resolution is of special interest to me.

I endeavoured to get some information on what had happened in the case of veterans who had become established as commercial fishermen in different parts of Canada. When the standing committee on veterans affairs sat in 1961 I solicited this information, which was supplied later in a letter dated July 20, 1961. The information reveals a very interesting variation in the incomes obtained by veterans from commercial fishing. In British Columbia, Victoria region, the high gross income was $7,400 per year while the low gross was $1,200 per year, with an average of $3,700 per year. In the New Westminster region the high gross was $10,000, the low gross $900 and the average gross $4,150. This shows that there is a wide variation even within the same province.

In Alberta and Saskatchewan hardly any veterans have been established as commercial fishermen. In Manitoba there is only one and his income is approximately $2,000 per year. Others were getting supplementary incomes of approximately $550 each per year. In Ontario 11 veterans have been established as commercial fishermen and their incomes range from $2,400 to $3,000, including income from renting boats. In Quebec there were none. In New Brunswick the typical veteran established as a full time fisherman grosses approximately $5,500 and nets approximately $3,000. In Nova Scotia most of the veterans established as fishermen are part time fishermen and net approximately $1,300 annually from fishing, while full time fishermen net approximately $3,700 annually. In Prince Edward Island the typical veteran established as a full time fisherman has a gross of approximately $4,300 per year. The typical cost figure is $1,050 leaving a net before depreciation of $3,250, but depreciation of equipment averages about $1,000 a year leaving a net after depreciation of $2,250. Here is the sad part about this information. In Newfoundland there was only one veteran established in commercial fishing on a full time basis and his net income was very low indeed, averaging only about $500 per year.

Mr. Brunsden: He is one of your constituents?

Mr. Carter: He probably is. That is about the average income for most of the inshore fishermen in my riding. I am very grateful to the minister and the government for bringing this legislation forward and I hope it will still be possible for some of our Newfoundland fishermen to take advantage of the new section which the minister outlined to us and which will make loans available at about 5 per cent, if I understood the minister correctly. That at least would give the fisherman veteran a source of borrowing which is not available to him either under the Fisheries Improvement Loans Act or from any source within the province.

I know that other members want to make their contributions to the debate on this resolution and I will close by making one suggestion to the minister. I suggest that the bill be sent to the standing committee, because from the length of the resolution we can see that the bill will be quite comprehensive and will require careful study. It is my opinion that study could best be carried out in the standing committee on veterans affairs and I hope the minister will see fit to refer the bill to the committee.

The Deputy Chairman: The hon. member for Kootenay West.

Mr. Herridge: Mr. Chairman—

Mr. Brunsden: Mr. Chairman, may I ask the last speaker a question?

The Deputy Chairman: If he will give the floor.

Mr. Brunsden: The hon. member used certain figures having to do with veterans with respect to the statement that the minister made. I am wondering whether he has compared those figures with the over-all figures for agriculture and fishing across Canada?

Mr. Carter: No, I have not had an opportunity to do that. I have not had the time.

Mr. Benidickson: I doubt that the department has.

Mr. Carter: I think that perhaps would be a chore which might properly be carried out by the department and if the bill were sent to the committee we could get that information.

Mr. Herridge: Mr. Chairman, now that the dialogue between the two members to my left has been completed I wish to say a few words on this very interesting resolution proposing the amendment of the Veterans' Land Act. The Veterans' Land Act has been a most successful and excellent piece of legislation since it was first given effect in 1942. I think the major reasons for its success are three in number. First of all, there was the consideration given to the experience during world war I and after under the soldier settlement act when without a doubt there were many unfortunate instances of veterans who failed because of having been settled on poor land or under improper circumstances.

The second factor was the representations of the veterans organizations with their knowledge of the circumstances that surrounded the settlement of veterans of the first world war. Third, there was the determination on the part of the government of that day, which I remember quite well, to make certain that the mistakes of the past were not repeated, and the views of other bodies, including the Canadian Federation of Agriculture and related organizations, were sought before the legislation was finally drafted and presented to parliament.

I think the success of the act is fully illustrated in the annual report of the Department of Veterans Affairs for the fiscal year 1960-61. I want to refer to this and incorporate it in my few words because many people read *Hansard* who do not have the opportunity to read this report. On page 41 there is the following:

> Repayment record.
>
> From inception of operations to March 31, 1961, a total of $451,700,000 has been spent on behalf of 76,135 veterans established with repayable contracts. Including $58,738,000 constituting conditional grants earned by veterans who have fulfilled the terms of settlement for the first 10 years of their contract, 55.8 per cent of the $252,100,000 has already been repaid.
>
> The number of full-time and part-time farmers with arrears in excess of $200 and $100 respectively represents 2.5 per cent of the active accounts.

I am not going to read further. I believe that is a clear indication of the success of this legislation and its efficient operation. The acting temporary deputy parliamentary secretary has had some experience in this connection I know, and is fully acquainted with the administration of the act. I must pause, for a moment, to congratulate him upon piloting this resolution during the absence of the minister for five minutes. Somewhat like the hon. member for Kootenay West, he has his brief moment of glory.

Well, Mr. Chairman, I should go on. The settlement of veterans on what the minister termed the economic family farm has made a great contribution to rural Canada since the act was introduced. It is interesting to note that in many districts the Veterans' Land Act settlements, and I know a number in the area which I represent, are usually the showplaces and are examples to others. I think the experience under the Veterans' Land Act was partly the cause, shall I say, of the introduction of farm credit legislation and so on. The veterans legislation illustrated what could be done on the basis of providing supervised credit, as we have it under the Veterans' Land Act.

Before proceeding, Mr. Chairman, I must say that the change made last year in the regulations reducing the acreage requirement to half an acre was an excellent one. I am sure the minister knows that this has made it possible for more and more veterans not only to qualify but to obtain land when they were already qualified. The increase in the amount of the small loans from $10,000 to $12,000 rectified a deficiency in the legislation. The changes under part III of the act extending the repayment period to 30 years

and extending the purposes of the act to the granting of loans for feed bills and other requirements were also good. I am sure these amendments were brought forward as the result of the experience of those operating in the field.

The minister dealt with the small family farm particularly and those who had supplementary incomes as well. This new section in part III which he proposes will provide loans for development up to 75 per cent of the total value of the farm, and this should be of some assistance to a percentage of these veterans. We all know the Royal Canadian Legion and other veterans organizations have made proposals with regard to insurance. The minister did not give the details. We readily admit that when you enter into that field it will take some careful planning to design a satisfactory scheme. We shall look forward to what the minister proposes in this respect and the regulations related thereto.

I am glad to see the deadline for applications for loans has been extended to October 31, 1968. This should give the veterans of this country ample time to make up their minds if they wish to take advantage of this act. Strangely enough the farther away we get from the war, as a result of personal experience, I find an increasing number of veterans who had deserted the family farm or family life at the end of the war and were attracted by the dollars that could be earned in industrial employment, are finding that all is not gold that glitters and that there are certain advantages to living on the family farm and enjoying the rural way of life. I find repeatedly men coming to me who have decided to go back to the farm and either take up their parents' property or buy land of their own. This legislation will provide them with an opportunity for this action.

This group wholeheartedly supports the amendments proposed by the minister because we believe they will be of benefit to the veteran who is a small holder and the veteran who is a full time farmer. However, before taking my seat I do want to make another suggestion and ask the minister to consider it. I suggest that the time has come, as a result of developments in recent years, for tree farmers to qualify under this legislation. I know this is a new field and has to be approached with some caution. However, I believe it is a field that should be considered. You know, Mr. Chairman, at the moment there are some 20 million acres of crown lands available east of Manitoba for the development of privately owned tree farms. A tree farmer requires from 500 to 1,000 acres. You cannot operate with a few acres, you have to have a sufficiently large acreage to make a living. In the interior of British Columbia the average value of the timber yield per acre varies from $7.50 to $15 per year, according to the stand. This is the stumpage value. If you enter into manufacturing, of course, the value increases.

I am just concluding, Mr. Chairman, so perhaps you will give me a minute to finish and then the minister will get this resolution cleared up by five o'clock. I am asking him to consider this suggestion. Perhaps he could discuss the matter with the officers of the Canadian tree farmers association. I suggest also that he ask his officials to make a study of the possibility of moving in this direction. Perhaps this project could be made to fit in with A.R.D.A. I also suggest the minister could ask his officials to make a report to him concerning the possibility of including tree farmers in this legislation on the same basis as full time farmers. I have trespassed upon your time for a couple of minutes, Mr. Chairman, so I shall take my seat and leave the remainder of what I have to say until the bill is introduced.

The Deputy Chairman: It being five o'clock, it is my duty to leave the chair in order that the house may proceed to a consideration of private members' business pursuant to section 3 of standing order 15.

JUVENILE DELINQUENTS ACT

MOTION FOR REVIEW BY SPECIAL COMMITTEE

Mr. G. H. Aiken (Parry Sound-Muskoka) moved:

That, in the opinion of this house, the government should undertake a complete review of the Juvenile Delinquents Act, with consideration being given to the appointment of a special committee to bring in recommendations thereon.

He said: Mr. Speaker, after I had filed the notice of motion in connection with the Juvenile Delinquents Act, the Minister of Justice announced that he had set up a departmental committee to study the questions raised by that act. I welcome this study and, although it does not go as far as I had envisaged, I expect that the committee will do a great amount of work and come up with a solution to the problems which have been troubling a lot of people in recent years.

There are shortcomings in the Juvenile Delinquents Act at the present time, particularly in the system of treatment of juveniles, which has not been remedied. There is a noticeable drifting away from the original concepts of the act, and since there has not been an over-all review for some years and since this act operates in co-operation with the provincial authorities, I think it is now high time that the operation of the act and its administration by provincial authorities should be carefully gone into.

The first thing that a committee must do, Mr. Speaker, is to examine the theory and philosophical approach to the treatment of juveniles. This is an entirely different matter than an examination of the mechanics of the act and its procedures, forms and penalties. The committee set up by the minister is composed of a very eminent group of persons concerned with the administration of justice, although I think it fair to say that none are engaged principally in working with juveniles. Therefore I hope that they will give major attention to basic issues and not only to the mechanics of administration.

The first question with which I think the committee should deal is whether there is a proper balance in the juvenile court system between the concepts of courts of law set up to administer semi-criminal law with all the essential protections of criminal procedure, as against the social duty of the state in its obligation as parens patriae to oversee the welfare of children who might be abused, neglected or abandoned by their parents or guardians and thus be led into improper conduct. The Juvenile Delinquents Act which we have is a typical Canadian blending of the two theories, as well as being a midway point between British and United States practices.

Since criminal legislation is in the federal field under our constitution, we must have a sufficient element of criminality to justify a federal and over-all act such as we now have. Since child welfare is a provincial matter under our constitution, we cannot go too far in that direction. But the act provides for a very wide scope as between the two approaches. The United States has in general adopted the social side of the scale and most of the legislation on juvenile delinquency in that country is a state matter rather than a federal one. They consider it a social duty rather than a semi-criminal one. For this reason, the normal protections of the rules of criminal procedure have been fairly well lost in the juvenile courts of the United States.

In reading many of the publications on delinquency work that come from the United States we find that this is one of the things that concerns a good many of the social workers in that country. I refer to the fact that the protection of juveniles is being lost when they come into court; the fact that they are being charged with a breach of conduct which may determine their future lives is completely overlooked, and therefore the normal protections that the state must give are gone.

I believe that the Canadian act has an excellent potential in delinquency matters and I hope this potential will be taken advantage of when the act is under review. The advantage of having juvenile courts with semi-criminal jurisdiction is that protection is, or should be, given to those who appear there; protection against self-incrimination; proof beyond a reasonable doubt; the right to counsel, and limitations on the use of hearsay evidence. I believe that not only equal, but actually greater protection should be given to children and to parents who appear with them than is given to adults. For that reason I think we must be very jealous of the rules that give protection to juveniles in the juvenile courts.

It is not necessary for the courts to make a great show of this protection, but I believe it must be given. I do feel that the trend of the juvenile courts is away from this protection of juveniles and is toward a general feeling by the courts that if the juvenile is brought in by the social agencies, then he must be guilty.

On the other hand, when dealing with children the courts must always have in mind how easily they are led and how important it is to have understanding and sympathy. But the courts must also recognize the hard facts of some cases and the great amount of work and research that comes from the social workers in their reports. Unjustified and ill-considered sympathy can be just as harmful as oppressive sentences.

With this background, Mr. Speaker, and from information which reaches me on this subject, I believe that there is a trend toward giving juvenile courts the prestige and appearance of courts of law, while in fact they are internally moving too far in the opposite direction with strictly welfare considerations. The closed courts, the difficulty of appeal, the dependence of the child on the court, require the judge to be his own most severe critic. This ability is not always present. The juvenile court system with which I am best acquainted is that in Ontario. It is operating extremely well; its judges, probation officers and other staffs have a very high level of ability. But those who are best acquainted with the problems are the first to recognize them.

With this background, Mr. Speaker, I should like to indicate several trends which I believe are appearing in the juvenile courts and which should be very seriously considered. First, there is an overemphasis on the prestige and appearance of juvenile courts as courts, rather than working social agencies. Second, that in spite of the foregoing there is a lessening of the sense of necessity to have a juvenile proven guilty, by proper evidence, of the delinquency with which he is charged.

Third, I believe that there is too much secrecy in the juvenile courts, which is evidenced and caused by the difficulty in appealing, the provision for closed courts and the casual interest of the public and the press caused by these situations. Fourth, I believe that the combination of adult and juvenile probation is causing the latter—that is, juvenile probation—to suffer. Fifth, I believe that there is undue pressure on some courts with family and welfare matters, to the detriment of delinquency cases. Finally, in general there is rather casual attention given by all levels of government to juvenile courts and delinquency problems. These are matters which, as I understand it, are subject to divided jurisdiction and one level of government tends to leave them to the other. I am pleased, for that reason, to see that the minister has set up a study of the question at this time.

I should like to make a few suggestions in closing these remarks. While there are a great many important matters in the act which might be considered, I should like to make some general suggestions which, I believe, are worthy of attention.

First, as to appeals from decisions of the juvenile courts. Under section 37 of the act, leave to appeal from such decisions must be obtained from the supreme court and if such leave is given appeals must be prosecuted in the same manner as those on indictment. This is so cumbersome a procedure that appeals from the juvenile courts have virtually disappeared. There are very few of them indeed, and this, in my view, is not a proper situation. I suggest that an appeal should be available as of right to the county or district court judge in the same manner as is now provided in cases of summary conviction, that is, the right to have a trial de novo before a county or district court judge. It would be simple to have such appeals held in camera to protect the interest of the child while at the same time providing for a second hearing in cases when it was felt that justice had not been done.

My second suggestion concerns the age at which offenders should come within the provisions of the act. This question has been under debate for many years. The age fixed at the present time is 16 years. However, some provinces have extended the limit to 18 years. Many proposals have been put forward in connection with this age limit. One proposal which came to my attention was made by Miss Isabel MacNeill who suggested that there should be two levels of court, one for children up to the age of 14 and another for juveniles between the ages of 14 and 18. However, I think there is a simple remedy for the difficulties here. The basic reason why this difficulty over age has arisen is that in every situation one is dealing with individuals. Sometimes a young lad of 15 has the characteristics, mental and physical, of an 18 year-old. The nature of his delinquency may be such that the juvenile courts cannot deal with him effectively. Another lad, just over the age of 16, may have the physical and mental development of a child of 13 or 14, yet in most provinces he would have to be dealt with in open court as an adult. Section 9 of the Juvenile Delinquents Act recognizes the first situation and permits the juvenile court to send on any juvenile over the age of 14 to an adult court in certain circumstances. My suggestion is that there should be a provision either in the Juvenile Delinquents Act or in the Criminal Code for the second situation so as to permit an adult court at its discretion to remit the case of any accused person of 16 or 17 years of age to the juvenile court. This would meet the chief problem which arises in all cases of offenders between the ages of 14 and 18; it would depend on the discretion of the person administering the court whether or not the person should be dealt with in an adult court or in a juvenile court.

My third suggestion is that the principle relating to the secrecy of records in the juvenile court, as provided in Bill No. C-57 now in the name of the hon. member for Vancouver South, should be adopted. Finally, I think the committee must take a long look at the usefulness of the juvenile court committees which have been set up under section 27 of the act. These are described as committees of citizens serving without remuneration. Except for some unusual instances, these committees do not exist, or do not function. The idea that there should be something in the nature of a community interest—a kind of grand jury for juveniles—was good. But the system has not been used and I suggest that some thought should be given to its effectiveness. If this provision is not proving effective, perhaps it should be abandoned. On the other hand, if it can be made to function usefully, then I think better provision should be made in the act.

I hope these few remarks and the others which will be made in this debate will be seriously considered by the committee which is being set up to study the act and by the government when it contemplates legislation.

Mr. Speaker: The hon. member for Berthier-Maskinonge-Delanaudiere—

Hon. E. D. Fulton (Minister of Justice): I wonder if I might ask the house to show me its indulgence, with your permission, Mr.

Speaker, so that I may say a few words now. I regret that I have another urgent appointment, and while I should like to sit here and listen to the debate I shall not be able to do so. I can assure hon. members that I shall read it carefully in *Hansard*. If hon. members will understand the reason why I would appreciate the opportunity of saying a few words now, and then leaving—

Mr. Speaker: I take it the hon. member is willing to defer?

Mr. Benidickson: I think there is no objection to departing from the usual routine in this instance. I hope the hon. gentleman's speech will not be a rehearsal of what he intends to say to the ladies of the Canadian Club about juvenile delinquents, perhaps tomorrow.

Mr. Fulton: I can assure the hon. member for Kenora-Rainy River that he need have no qualms on that point. I do not intend to speak for long, and I can also assure him that even if I did say here what I intended to say to the ladies, it would not shock him.

The reason I should appreciate the opportunity of saying a few words now is that I should like, first of all, to express my appreciation to my hon. friend from Parry Sound-Muskoka for having put this subject down on the order paper. I hope he will understand that my action in announcing, a few days earlier than his motion actually appeared, that a special committee on juvenile delinquency was to be set up was not intended in any way to steal his thunder. It is, rather, that the persons concerned with this subject have arrived at the same conclusion, namely, that it is necessary that a concentrated and co-ordinated effort should be made to come to grips with this problem of juvenile delinquency. It is for this reason that I announced earlier in the session the appointment of a special committee within my department to look into all aspects of this matter and to study it across Canada in consultation with other government and private organizations concerned with this field so as to make recommendations within a year as to efforts which may be made by the government, both within its own jurisdiction and in co-operation with other authorities, to improve the situation.

I should like to take this opportunity to correct one impression—one criticism, I should say—which appears to be widespread. A number of organizations wrote to me after the appointment of the committee was announced expressing regret that we had not included upon it any trained social workers. The answer, as I have indicated in my letters on this subject, is that we do not have in my department, for reasons which I think will be obvious, anyone who has had experience as a trained social worker. I wanted a departmental committee because it was the experience, certainly in connection with the correction and reform program which we instituted, that effective and concentrated work could be done by a departmental committee of this sort. I think, with due respect, in the kind of field in which we are operating more effective, more concentrated and more speedy work can be done by a departmental committee of this sort than by other kinds of general committees or commissions. That was the reason that led us to decide to appoint a departmental committee.

I can assure the house, as I have assured all those who have written me, that there need be no cause for concern that the views of those concerned in this field of social work will not be fully in mind when the committee's report is submitted, when its recommendations to me are prepared, because we have taken care in the terms of reference, the detailed instructions as it were which we gave the committee forming the basis of their operations, to specify that they seek at an early stage meetings and conferences with organizations, welfare societies and individuals active in this field all across Canada for the specific purpose of enabling them to have a first hand and extensive knowledge of the views and recommendations which those concerned with and working in this field would wish to bring to our attention with respect to the solutions and the actions which will be brought to bear on this problem.

It is, as I have said, the intention incorporated in the instructions to the committee that they shall complete their work and let me have a report within a year from the date of their appointment. They are hard at work now. They have made a number of visits to points outside Ottawa. I am glad to be able to report to the house that everywhere they have been in contact with both government and private organizations their presence has been welcomed and the fullest co-operation and mutual interest in arriving at a solution has been evident on the part of those with whom they have met and held their discussions. So I am satisfied that the committee is at work effectively, and I look forward to a useful and constructive report.

The only other observation of a general nature I wish to make at this time is that a certain amount of research, I believe, will be necessary to be done by this committee and by others with whom they work because it has been my conclusion, as a result of the consideration we have given to the matter to date, that there are almost as many impressions of and definitions of the problem

of juvenile delinquency and what constitutes a juvenile delinquent as there are individuals who are called upon to express their opinion. What is a delinquent? What is the age at which a person ceases to be a juvenile delinquent and becomes an adult criminal? These and a host of related problems are questions to which there is no agreed answer, questions on which there has been, in my view, not sufficient attempt as yet to arrive at a common basis of understanding that would be acceptable across Canada, at least as the basis upon which to found an attack upon the problem.

It has always seemed to me that you will not make an effective attack on a problem unless you first of all define clearly and concisely the nature and extent of the problem you wish to cure. This will be one aspect and perhaps the first aspect of the committee's work, to define the nature and extent of the problem of juvenile delinquency in Canada and then to grapple with the question of its basic causes. And then if, as I hope, they are able to come forward with specific answers in those general fields, we should be able to get really concrete and constructive proposals for the cure of the problem.

Recognizing always, as was pointed out by the hon. member for Parry Sound-Muskoka, that this field is one of divided jurisdiction, I would therefore wish to make it clear that we as a federal government cannot come up with a course of action which will provide the entire solution. We may be able to, and indeed I believe we shall be able to, arrive at a series of recommendations which will cover the whole field, but it will be the case that we as a federal government, under the present constitutional division of responsibility, will be able to act or intervene directly on only a portion of those subjects or perhaps of those recommendations. With respect to the remainder, it will be our intention and our objective so to conduct our own affairs here and so to co-ordinate our own activities that solutions may be found. For instance, I have in mind the activities of the Department of National Health and Welfare, for one thing, and the possibility of the grants in aid for physical fitness; that is one head that occurs to me. Then we would offer a series of co-ordinated activities or programs with provincial governments and with such other agencies of the provincial governments as they may care to bring to bear on the field, and in so far as lies within our competence, also with private agencies working in this field.

In other words, what it is essential to bear in mind is that the solution is not going to lie in action at one level only. We hope that our recommendations which will have been discussed in advance with all those across Canada in that field, both governmental and private agencies, will commend themselves to those bodies, and that then we will be able, by action in our field and by co-ordinating where we can do so our activities with others not members of the federal government or its agencies, to accomplish a complete attack on the problem of juvenile delinquency.

Why have we been so concerned as to set up this special study recognizing as we do the complex nature of it to which I have just referred? In brief, the answer to that question is simple, but I believe fundamental. It is that no program designed to meet the problem of and the concern for criminality in Canada can be practical or complete unless it attacks that problem in all its aspects.

We have attacked it at one end with respect to our penitentiary system. We have, we believe, fairly launched an up to date, sensible and sound correctional reform program. We are revising our penal system and the programs operating therein in order that we may have, and I believe we will have, one of the best penitentiary systems in the world. That is only going to be a very partial answer to the problem if we stop there because we would be dealing only with one end of the problem of criminality. If we are going to have a well rounded and complete program it is essential that we deal also with the basic causes and factors which contribute to criminality.

I would think there would be general agreement in this house, at any rate, that one of the first places to start in dealing with the problem of criminals and criminality is to do what you can to prevent people from becoming criminals; and surely you can take no more effective action in that field than by launching an attack on the problem of juvenile delinquency. That will be most effectively done on the basis of the following approach, that we give consideration to the young people of this country, even those who may have inherently some psychological or other tendencies which are such that they are prone to become criminals or to fall into a life of delinquency and crime. Then if we can isolate them, find them before they have gone too far down the road, and bring to bear a program such as the one I have hinted at in broad general outline, then we can, I think, confidently expect that we shall have gone a fair way toward preventing the incipient delinquent from becoming a hardened criminal. This is, at any rate, the objective. It is for this reason that we in our department, with the support of my colleagues in the government, have come to the conclusion that, having got our correctional

reform program well launched, then the next consistent and essential step to take is to launch a study leading to a series of recommendations and a program in this field. As I said, I shall bring to the attention of the committee and I myself shall study carefully the remarks made by the hon. member for Parry Sound-Muskoka and the remarks which will be made by all those who will speak here in the course of this debate. I thank the hon. member particularly for making it possible to discuss this matter here. I look forward with anticipation to reading the remarks of those who will participate. I should like to express in anticipation my appreciation of the help I am sure we shall derive from them in these sittings.

Mr. Benidickson: I rise only to ask a question, Mr. Speaker.

Mr. Brunsden: I will yield to the hon. member.

Mr. Benidickson: No; go ahead.

Mr. Brunsden: I merely wished to ask this question. In his exploration of this most fundamental question in Canada, has the minister found a receptive attitude on the part of the provinces? With respect to the provinces is there any willingness to co-operate with the federal government in coming to grips with the real fundamentals of the question?

Mr. Fulton: It is a little bit early to answer that question conclusively with respect to the policy level, as we have not yet approached that stage. However, on the basis of what we have found so far with respect to the readiness of provincial government officials to meet and to discuss this problem gladly and co-operatively with our committee, I think I am quite safe in anticipating a real readiness on the part of provincial governments as such to co-operate with us. I think it is only fair to say that the extent of their co-operation will to a degree depend on their judgment of the soundness of the recommendations we make. I think I may safely anticipate that we shall come forward with sound recommendations. I think I may also say that I can safely anticipate effective co-operation in the long run.

Mr. Benidickson: If the Minister of Justice will permit me to do so I should like to ask him this question. I think he said, "My colleagues and I have reform well advanced". While he was speaking I tried to look through the index of *Hansard* in order to determine which member of parliament asked not long ago about the committee to which the minister referred, and the likely time when that committee would present its report. Can the minister reconcile the fact that the ministry has well advanced plans for dealing with this matter with the expectation of a report from a committee about which a member of parliament—as I very well recall although I cannot name him—asked not long ago?

Mr. Fulton: I think my hon. friend has confused two things. I am sorry if any remarks of mine just a moment ago gave rise to that confusion, although I do not think they should have done so. What I said was that we are well advanced with the implementation of our program of correctional reform. I then went on to say that we have concluded that, having gotten that far on that aspect of it, it is now timely and indeed essential that we start on this aspect, namely the juvenile delinquency aspect of our over-all program of attack on crime in Canada. I certainly did not say that we are well advanced in our program with respect to juvenile delinquency, as I drew to the committee's attention the fact that we appointed our study committee only in January. We have instructed that committee to have its report available by the end of the year.

(Translation):

Mr. Remi Paul (Berthier-Maskinonge-Delanaudiere): Mr. Speaker, I should like first of all to congratulate the hon. member for Parry Sound-Muskoka (Mr. Aiken) for having thought of giving the house the opportunity to examine a problem which has become crucial, as anyone who has taken the time to consider the effects of juvenile delinquency in Canada will agree.

I think hon. members appreciate the explanations the Minister of Justice (Mr. Fulton) has given and the additional remarks he has made concerning the work of the committee which was set up to examine precisely the problem of juvenile delinquency and to make all possible and necessary reforms so that we may at least find a partial solution to that problem.

The hon. member who introduced this motion mentioned certain advantages of the present legislation which is to be found in chapter 160 of the Revised Statutes of Canada.

When this legislation was first adopted, the situation was just as serious as it is today. If one reads each article of the act, one comes readily to the conclusion that the role assigned to the state is and must remain that of a substitute and that the heart of the matter is to be found within the family circle, from which stems the problem of juvenile delinquency.

During the 15 years I have been practising law, I have been called many times to appear before the social welfare court to assist young delinquents who had got in trouble

with the law. Much as I hate to admit it, the parents, in almost the majority of cases, had been remiss in their duties, by failing to watch over their children, by not showing enough interest in them and, above all, by too often setting a bad example.

I think the act should not be amended, but it should be more strictly enforced. One has but to read section 33 to see what forceful provisions are laid down concerning parents.

Parents who, through indifference or bad example, allow their growing child to become a juvenile delinquent should be brought before the courts, so that the sentence imposed could serve to remind each and every parent that he is duty bound to try to bring up his children in such a way that they will become worthy members of tomorrow's society.

Mr. Speaker, I wish to commend the hon. member for Parry Sound-Muskoka. I wholeheartedly agree with his remarks concerning the provisions of section 27 of the act.

I think our small towns and municipalities should make it a point of honour to set up a committee of citizens with a view to checking juvenile delinquency within their own territory.

If those who belong to welfare agencies, such as the Rotary, Kiwanis, Richelieu or Knights of Columbus clubs, or other similar organizations, dealt with the real problem of juvenile delinquency, they could do a wonderful job to stem that growing calamity.

Alas. It is often said that juvenile delinquency is but the doorway to crime. I think parents should more often be held responsible for offences committed by their children. When they have been advised that their children must appear before a welfare court, as provided in section 20 of the act, I think that our judges should penalize those parents when there has been real neglect on their part, because, too often, unfortunately, the children only follow the example and advice, especially the example, their parents give them.

While waiting for the committee's report and the adoption of the legislative measures that will undoubtedly be called for later, I think that our welfare courts should be more concerned with the consequences of juvenile delinquency, and the presidents of our courts should see to it more often that the parents are held responsible for their children's misdeeds, when they have shown themselves indifferent and neglectful.

Of course, there are exceptions. Very often, the offences of the children are committed without the knowledge of the parents, but when the latter neglect their duty or set a bad example, I think we should not penalize only the children but rather and especially the parents who are responsible for the crimes committed by those children.

Mr. Speaker, I must somewhat disagree with the mover of the resolution when he says that it would be advantageous for us to give greater publicity to trials that take place before our social welfare courts.

I prefer to endorse the proposal made by the hon. member for Vancouver South (Mr. Broome) who, by a bill introduced in this house last year, requested the destruction of young delinquents' files after five years, in order that they be spared the burden and consequences of a criminal record all their lives. I rather think we should give publicity to trials of adults who are brought before our social welfare courts and keep on considering with pity and helping young delinquents, because the prime object of the act is precisely to reform the child who is in trouble.

Section 3 of the Juvenile Delinquents Act shows the real spirit behind the adoption of chapter 160. Section 3, paragraph 2 provides as follows:

> Where a child is adjudged to have committed a delinquency he shall be dealt with, not as an offender, but as one in the condition of delinquency and therefore requiring help, guidance and proper supervision.

That, Mr. Speaker, is the role of the father and the mother. As I said a moment ago, if we had the courage of assuming our responsibilities, the state would not invade that field of education, because the Juvenile Delinquents Act aims, first of all, to help and bring back on the right path those of our children who have strayed away from it. If all parents understood the gravity of their task, we would not have to consider today such a serious problem.

Mr. Speaker, I am sure that we all realize how serious is this problem. Therefore let us all try to improve the situation.

I am happy that the mover of this resolution has called the attention of the house to the problem of juvenile delinquency. By giving it serious consideration and by co-ordinating our efforts, we will allow the growing generation to become the hope and the consolation of their parents.

(Text):

Mr. Walter Pitman (Peterborough): Mr. Speaker, this motion is a good one and shows a tremendous amount of thought and study on the part of the hon. member for Parry Sound-Muskoka. However, I think the remarks of the Minister of Justice have made this debate redundant and my contribution will be very short indeed.

My approach is somewhat different from that of the hon. member who moved the motion, his, I believe, being more that of the lawyer and mine perhaps more that of the social worker. However, I am sure both of us see the problem as a national one and one with which the federal authorities have a great deal to do within their jurisdiction, I think the Minister of Justice made a very important point when he said that we must deal with the problem of definition and decide exactly what is a juvenile delinquent, whether the test is to be by age or by development. I believe he also put his finger on the problem when he disclosed the difficulties in getting a commission which would deal with both the area of law and that of social service.

I have only one comment I wish to place on *Hansard* in this regard. As the committee is mainly concerned with the legal aspects of the problem, I hope that when it writes its report it will not deal with it only from that point of view. We know that there could very well not be a complete meeting of minds between those concerned with social service and welfare and those who deal with the problem from the point of view of law. If there is such a difference I hope every effort will be made to see that the report brings into focus and clarifies rather than obscures the position of the social welfare people who, as the minister himself said, are trying to discover the causes of juvenile delinquency rather than looking at the matter simply from the point of view of the punishment of such delinquents.

I think it would be well for us in this chamber to remember that Canada is not alone in facing this problem. If we read newspapers and magazines we are aware that the problem is faced to an even greater degree in some ways by our friends to the south in the United States. It is certainly also one which the Soviet Union faces and one which causes great concern and consternation in the United Kingdom. Why? There are a great many reasons. Possibly one is the feeling of insecurity in a very insecure age. We are living in an age of transition, of moving from one set of values to another. We are living in a society in my opinion in which, incidentally, all values are being questioned, and we are living, of course, in a society in which life itself seems to be a very uncertain thing.

I hope that the committee about which the minister spoke will make a very detailed, thorough and progressive study of the problem. I believe the hon. member for Parry Sound-Muskoka and I perhaps differ on a number of points but we certainly do not differ in terms of the importance of this issue. He referred to the problem of secrecy. I am sure he would recognize the great difficulties in not allowing a general debate to take place in those areas where the lives of young people certainly could be adversely affected in the future. I know there are others who wish to speak. I give my support and that of this group to any change that is made which will help to alleviate the causes of juvenile delinquency in Canada.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I believe the hon. member for Parry Sound-Muskoka is to be complimented on the introduction of this motion. In my view the Minister of Justice is also to be complimented for having taken part in the debate. I think it is an indication of the value of this motion that it has already been adopted by the government. A committee is at work and that committee has been instructed to report back in one year's time.

As mentioned by other speakers, I have a bill on the order paper, Bill No. C-57, which has to do with the secrecy provisions of the Juvenile Delinquents Act. I was attempting to correct one particular problem through amendment of the act. The approach taken by the hon. member for Parry Sound-Muskoka is much broader and better and the approach taken by the ministry is much better.

I would however, Mr. Speaker, in all fairness say that Bill No. C-57 was originally introduced by the hon. member for Bellechasse, the present Secretary of State. This committee might well refer to the debate which took place on June 24, 1958 when the hon. member for Bellechasse introduced his bill. The hon. member for Parry Sound-Muskoka made a tremendous contribution to that debate.

As other speakers have said, I do not wish to take up too much time of the house. I would, however, like to stress one point and that is that since the committee considering the revision of this act will be composed of representatives of the department charged with the responsibility of law enforcement, the drafting of laws, the appointing of counsel to support these laws, the prosecution and conviction of people who may be accused of breaking laws, this committee should give

great weight to the opinions of people in the social science field. I have heard it said, for instance, that the secrecy provision which was incorporated in Bill No. C-57 would make it more difficult for law enforcement officials to do their work.

This provision is to the effect that if anyone convicted under the Juvenile Delinquents Act does not get into trouble for a period of five years the records in respect of that conviction must be destroyed. If a person is convicted at the age of 12 and nothing else has happened to him until he reaches the age of 17, I do not see why those records should not be destroyed. After that age he would come before the adult court and be treated the same as any other adult. There have been instances, and I think they were cited during the debate of June 24, 1958, where juvenile delinquency records have been used after the person has become adult. I do not believe this is fair.

In so far as the matter of appeal from the juvenile courts is concerned, I would say that I have no opportunity of judging this complaint one way or the other. However, if there is a lack of the right of appeal, it would seem to me this may be an indication that our juvenile and family courts are doing a better and better job. I will be looking forward to seeing the report of this committee. As I say, I only wanted to say a few words because the minister informed us the committee will be reading this debate and being guided by what has been said.

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

Mr. Aiken: Perhaps—

Mr. Speaker: I must inform the house that if the hon. member speaks now, he will close the debate.

Mr. G. H. Aiken (Parry Sound-Muskoka): I have noted, Mr. Speaker, the indication by the Minister of Justice that a committee has already been established to study this matter. I should like, rather than have a vote, to make a few remarks in closing and then call it six o'clock.

Mr. Benidickson: Speak for one minute, and then get a vote.

Mr. Broome: There is no point in voting.

Mr. Aiken: I should like to clear up one question that arose during the debate. Several speakers indicated that during my introductory remarks I had put forward the suggestion that there was too much secrecy surrounding juvenile courts. I did not intend to convey this impression. I believe it is essential to the work of the juvenile and family courts that their sessions be closed. The act sets out that no press reports can be made and no names used publicly in connection with any case considered by a juvenile court. My point was that the secrecy of the proceedings left wide open the possibility of abuse by judges of the court, if they were so inclined. The difficulty of appealing makes it all the more important that the secrecy provision be not abused.

My suggestion was that appeals should be more easily attained rather than that the secrecy should not be as great. I think that is one of the things with which we are most concerned, that is that courts that operate as social agencies, with secrecy for those who are involved, should have a right of appeal attached to them so that juveniles who may feel they were unfairly convicted could take an appeal to another court.

May I call it six o'clock?

BUSINESS OF THE HOUSE

DIVORCE BILLS—REQUEST TO SUSPEND PRINTING IN ROUTINE PROCEEDINGS

Mr. Speaker: Before leaving the chair, may I say that I understand the hon. member for Halifax wishes to revert to motions in order to obtain unanimous consent of the house to standing private divorce bills for a further period.

Mr. R. J. McCleave (Halifax): Yes, that is correct, Mr. Speaker. Some excellent progress is being made, but it will take a few more days yet to achieve a solution to the problem. I must, therefore, ask if the house is agreeable for unanimous consent to have the provisions of section 3 of standing order 15 concerning the printing of orders for the second reading of divorce bills, and consideration thereof, suspended until otherwise ordered by the house. The effect of this is to save the cost of printing the daily orders.

Mr. W. M. Benidickson (Kenora-Rainy River): I can quite understand the reason the hon. member makes this motion. I wonder if he has been actively associated with other sections of this house in connection with this important matter? I know a number of pages of routine proceedings are required for the printing of these bills unless something of this kind is done. I did not understand the hon. member to say he had consulted the opposition house leader in respect of this motion. Has he done so?

Mr. McCleave: Not in respect of this request, Mr. Speaker. However, there has been consultation going on with all the parties concerning the procedure to be used in handling divorce bills.

Business of the House

Mr. Benidickson: Since there has been no consultation on this request, as is usually the case, I must ask if there was a date set in the motion. Was any date set as to when these items would be restored to the order paper?

Mr. Speaker: As I understand the proposal of the hon. member for Halifax, it is to the effect that the printing of divorce bills on the order paper be suspended until further order of the house, which could come about at the instance of any member.

Mr. Benidickson: The matter could be raised and I suppose, within 48 hours, the effect of this motion could be reversed, is that right, Mr. Speaker?

Mr. Speaker: Is the hon. member for Kenora-Rainy River objecting to the proposed order?

Mr. Benidickson: No, sir.

Mr. Speaker: In order to make it clear what is being asked, the proposal is that the provisions of section 3 of standing order 15 concerning the printing of orders for the second reading of divorce bills and consideration thereof, be suspended until otherwise ordered by the house. This would mean that the matter must be brought up again in the house and an order made to put them back on the order paper before they would come back on the order paper.

Mr. Benidickson: As I have indicated to Your Honour, I assume any member could make a motion to make that possible within 48 hours?

Mr. Speaker: I think that at any time, under the heading of motions any hon. member could rise and ask that this order be reversed. With that understanding, is the house agreeable?

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I just wish to say that I am completely at sea owing to the mystery of this business, but apparently it is a move to save the taxpayers' money without any infringement upon the rights of hon. members, and therefore I agree.

Mr. McCleave: That is correct, Mr. Speaker.

Mr. Speaker: I take it, then it is agreed that this course be followed with respect to the printing of these bills on the order paper?

Some hon. Members: Agreed.

Mr. Speaker: The hour for the consideration of private members' business having expired, the house will revert to the business which was interrupted at five o'clock.

[Mr. McCleave.]

VETERANS' LAND ACT

AMENDMENTS TO EXTEND QUALIFICATION PERIOD, ETC.

The house resumed consideration in committee of the following resolution—Mr. Churchill—Mr. MacEwan in the chair:

That it is expedient to introduce a measure to amend the Veterans' Land Act to extend the period during which a veteran may qualify for benefits; to establish dates on which persons shall be deemed to be discharged; to extend the repayment period of loans; to enable the director to arrange group life insurance for veterans on a voluntary basis; to increase the rate of interest where a property reverts to the director; to increase the maximum assistance under part II; to provide further financial assistance to certain full time farmers; to provide further financial assistance to part time farmers and commercial fishermen; to extend the purposes for which a part III loan may be used; to extend the uses to which proceeds of a sale or other disposition of land may be put; and to provide for the release to a veteran of a portion of the land on which he is established.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Chatterton: I feel compelled to say a few words on this resolution for more than one reason. First of all, I have been closely associated with this legislation for several years. Second, as one of the "backest" of the back benchers—and I sometimes wonder, in this position, how far our voices carry—I ask myself whether the proposed resolution coincides by accident with some of the suggestions I have made or whether some of my suggestions and recommendations to the minister have played a part in the drafting of the resolution which is before us. It is hard to say.

In any event, it is certainly a source of satisfaction to me to know that many of the provisions in this resolution are such as I have recommended to the minister and to the staff of his department. First, as to the extension of the deadline date. The deadline has, up to now, for all practical purposes, been September, 1962. It has now been extended to October 31, 1968. This action was very necessary because of the many anomalies and inequities which arise in legislation such as this in connection with a deadline. For example, under the provisions which have existed up to the present time, certain veterans would have been eligible after the deadline date whereas others, with overseas service, might have lost their eligibility as of September of this year. Another important factor concerning the extension of the deadline in so far as people now serving in the

armed forces are concerned is this: not too many of them are aware of the fact that they are eligible under at least two parts of the Veterans' Land Act. The first is part II, under which members of the armed forces are eligible, provided a commanding officer can state that they will be stationed in one location for a period of 18 months. Another area of the act with respect to which members of the armed forces generally are not aware of their eligibility includes parts I and III. By virtue of an amendment brought in by the present government, members of the armed forces are eligible under parts I and III of the act, provided they are on their last posting. This extension of the deadline date to 1968 will make available the benefits of this legislation to members of the armed forces for a period of some five years. I should like to have recommended to the government that no tailgate or deadline be included in this legislation. However, we know that this government will still be here to extend the deadline further in 1968 and I take it, therefore, that the present provision will be satisfactory to the veterans of Canada.

Some of the provisions in this resolution are far reaching. The minister had indicated that the amount of loans to small holders will be increased from $10,000 to $12,000. This is particularly significant when we consider that the amount of the increased deposit required to get this larger loan will be only $200. In other words, for a $200 increase in the down payment the loan under part III will be increased from $10,000 to $12,000. This in itself will be most acceptable. But the one new departure indicated in this resolution is the fact that these increased loans, for the first time in the history of the Veterans' Land Act, will be made retroactive. Hitherto, all the increases, first, from $6,000 to $8,000, and then from $8,000 to $10,000, were available only to new borrowers. They were never made available to those veterans who had previously obtained assistance under the act.

As the minister told the committee this afternoon it is now considered that those veterans who are already established should be able to obtain the additional money required to enlarge their homes or their holdings. It is true they might have been able to do this under part IV of the National Housing Act. Over the years I have maintained that the veterans of Canada are deserving of better assistance than is provided under part IV of the housing act, so I think it is one of the satisfactory features of this resolution that all these veterans, numbering in the order of 60,000, established under parts I and III of the Veterans' Land Act will now be able to get this additional assistance.

One of the major departures envisaged by this resolution, as I gathered from the minister this afternoon, is the new clause proposed to amend the act in relation to the small family farm. Before I discuss that clause I wonder whether for the sake of clarity and getting the record straight I should refer to the welcome comments made this afternoon by the hon. member for Burin-Burgeo. He read at some length from the report made by the veterans land administration on some 5,000 farmer veterans across Canada, going back to 1957. I think the hon. member did not clearly understand that the recommendations resulting from the findings of that report were fully implemented by this government in 1959. That report indicated the need for additional credit to enable these veterans to set up economic farm units across Canada under the Veterans' Land Act. The act was amended, and those recommendations were implemented by the present section 64 of the act which allows for a loan of up to $20,000 for one farmer, provided he farms an economic unit. That is the crux of the difference between that wonderful legislation and this new proposal mentioned by the minister today, that is, the provision for the small family farm.

The new proposal makes provision for veterans who operate small farms who could not have been accommodated under the existing legislation. Under the small holdings provisions a man was supposed to be able to assure the administration that he had an income from employment and there was a provision relating to the farm being an economic unit before one could qualify for a loan of $20,000. Between these two positions were a large number of veterans operating small family farms who will be taken care of under the new provision.

I think this is a rather bold experiment. I hope it will serve as a guinea pig for similar legislation which will be made available to non-veterans who operate small family farms just as the Veterans' Land Act served as a guinea pig for the Farm Credit Act. In the same way I hope this legislation will serve as an experiment for similar legislation to assist non-veterans who operate small family farms.

Another proposed amendment will have the effect of extending the advance under part II of the Veterans' Land Act from $10,000 to $12,000. As hon. members no doubt appreciate part II of the act is an adaptation of the National Housing Act to the specific use of veterans. This is part of the self-help program. It must be understood that although the advance is increased from $10,000 to $12,000 the

amount of the loan available to veterans under part II of the act remains the same as it is now under the National Housing Act. In other words for a three bedroom house a veteran under part II can still obtain a loan of $14,200 and for a four bedroom house he may obtain a loan of $14,900. The only difference is that under part II the amount of money advanced by the administration will be increased from $10,000 to $12,000.

The measure of insurance mentioned by the minister will, I think, be well received. Certainly the experience of the administration in respect of the Farm Credit Act has been satisfactory. I believe the proposal will be accorded widespread approval and a warm reception by veterans.

Further details of the amendments will be presented to the committee in due course. I merely wished to take this opportunity of making a few comments particularly because in my riding there are approximately 1,200 veterans who have taken advantage of the provisions of the Veterans' Land Act. The half acre provision that was introduced last year was well received. I know that the proposals foreshadowed by this resolution will win wholehearted support not only among the veterans and the Legion but among people all across Canada.

Resolution reported and concurred in.

Mr. Churchill thereupon moved for leave to introduce Bill No. C-80, to amend the Veterans' Land Act.

Motion agreed to and bill read the first time.

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING DEFINITIONS, CONTROL OF DELIVERIES, ETC.

Hon. Gordon Churchill (for the Minister of Agriculture) moved the second reading of Bill No. C-75, to amend the Canadian Wheat Board Act.

He said: Mr. Speaker, the absence of the Minister of Agriculture is deeply regretted by all hon. members of this house. On his behalf I am how bringing to the attention of the house amendments to the Canadian Wheat Board Act. I am sure the Minister of Agriculture would have much preferred to have presented this measure himself but under the circumstances it is not possible for him to do so. My colleague's record of activity and service during the year and a half he has been Minister of Agriculture is well known to the Canadian people and has received wide acclaim among farmers, particularly in relation to his activity on behalf of the western farmer acting closely in co-operation with the Canadian wheat board in pressing forward with the sales of Canadian wheat abroad. It is a remarkable record and the minister deserves full credit for what he has done.

The main purpose of this bill is to extend for another five years certain vital sections of the Canadian Wheat Board Act which expires at the end of this crop year on July 31 next. These sections have the effect of maintaining the board as the sole marketing agency for western wheat, oats and barley in interprovincial and export trade. The established practice has been one which permits parliament to periodically review the operations and achievements of the Canadian wheat board in the light of changing conditions.

I recently examined the record of the debate that occurred when amendments to the act were introduced in 1957 by the then minister of trade and commerce, the late Right Hon. C. D. Howe. On the basis of my examination of the record which occurred in this house on that occasion I judge that the attitude of the house will be the same now as it was then, and I trust that this continuation of the wheat board will be approved together with the five year extension which will permit a review of the operations of the board at that time.

The important features of the supply and demand position for wheat during the past six years are that (a) the all time peak carryover occurred at the end of the 1956-57 crop year when 733 million bushels were on hand—no one in the house has a better recollection of that than have I because at that particular moment I was charged with certain responsibilities in connection with the activities of the wheat board and the disposition of that overhanging surplus—and (b) the carryover estimated for July 31, 1962, will be less than 300 million bushels. This will be the first occasion in nine years that the carryover into a new crop year has been less than 500 million bushels.

The two most important factors bringing about this change are the well above average exports and below average production. In fact, during each of the past five years, including the current crop year, disposition has exceeded production. Domestic usage has been fairly constant at between 148 million and 166 million bushels, while exports during the five year period will average close to 320 million bushels, compared to 295 million bushels for the previous five year period. Production for all Canada has averaged 384 million bushels during the last five years and 552 million bushels during the five years from 1952-53 to 1956-57, compared to the 25 year average of 428 million bushels.

An exceptionally large export movement of wheat was achieved during the 1960-61 crop year. Combined exports of wheat and flour were 353.3 million bushels, of which 318.4 million bushels were straight commercial sales and 34.9 million bushels were under government assistance program or special credit arrangements. This was the fourth highest level of exports in Canadian history, and helped to maintain Canada's position as the world's leading commercial supplier of these commodities. The average level of wheat and flour exports for the past four crop years has been 311 million bushels as compared with 272 million bushels for the previous four year period, an average increase of 40 million bushels a year.

Last year's export performance was supported by a strong demand for Canadian wheat in Europe and other traditional markets. Sales to Japan, for example, reached a new record of 56.6 million bushels, and the heavy European demand for Durums virtually exhausted supplies of this wheat. In addition, substantial sales of wheat and barley were negotiated with mainland China, Poland and Czechoslovakia, largely under government supported credit arrangements. As to the current outlook, export demand has continued strong through the present crop year and exports should compare very favourably with last year's performance.

The recent striking increases in wheat prices have been primarily due to the improved market situation. One of the important factors on the demand side has been the marked increase in credit sales. In addition, prices were further strengthened by the devaluation of the Canadian dollar. For example, from January 3, 1961, to March 12, 1962, the price of No. 1 northern, basis in store lakehead, increased some 22⅝ cents, of which 10⅛ cents can be attributed to the devaluation of the dollar and 12½ cents to the improved market situation. The house will recall a statement I made on March 12, as found at pages 1684 to 1686 of *Hansard*, reporting the successful completion of negotiations for the renewal of the international wheat agreement. At that time I announced that the new price range raises the minimum price in U.S. dollars, for No. 1 northern in store Fort William-Port Arthur and Vancouver from $1.50 to $1.62 and the maximum price from $1.90 to $2.02½. At the current rate of exchange this price range in Canada in dollars is $1.71½ minimum and $2.13⅝ maximum. It should be noted that selling prices for the next three years are to be within the price range, and that actual prices will depend on market conditions. It is worth pointing out in this connection that the actual selling price in Canadian dollars for No. 1 northern at Fort William fell, during the course of the present agreement, to a low of $1.63⅝ in November, 1960. This is not only 50 cents lower that the new maximum of almost $2.14 but it is about eight cents lower than the new minimum.

The recent increase in sales, plus the increase in prices, have spread substantial benefits throughout the Canadian economy. For example, exports to date of wheat and barley to China have amounted to $190 million of which payment in cash has been received to the extent of $108 million. These exports, together with exports to our traditional markets, have provided a welcome increase in western farm incomes, which in turn have released new purchasing power for the goods and services required by farmers from the business community at large. Additionally these sales have generated increased employment for country and terminal elevator operators, railway and dock workers, and others engaged in the domestic handling and export movement of grain and flour.

As part of the government's accelerated wheat sales program the Canadian wheat board during 1961 brought to Canada seven important missions for the purpose of studying the production, handling, storing, milling and processing, and merchandising of western grain. These groups were made up of milling representatives and grain trade officials from the following countries: Belgium, Ireland, United Kingdom, Austria, Switzerland, Norway and the People's Republic of China.

In January, 1961, the board established a technical services and market research department. This was done in view of the growing importance of technical factors in the usage of Canadian wheat in overseas markets, and its main function is to study the cereal processing industries in these countries and provide the board and its customers with advice and technical information relating to Canadian grain. The technical assistants, with knowledge of foreign languages, have been selected and especially trained for this service and numerous services to the milling and baking techniques employed in different countries have been carried out to date. In addition, the board maintained its usual close contact with overseas customers through personal visits to principal markets in Europe, Central and South America, the Caribbean area and Asia. It is a matter of record that the Department of Trade and Commerce have assisted the board in every way open to them to effectively promote the sale of Canadian wheat and flour abroad.

As at March 26, there were 99 per cent of delivery points—1,920—in western Canada on an open delivery quota. Seven delivery points were on a six bushel quota, and 22 delivery

points were on a seven bushel quota. It is anticipated that in a very short time all delivery points will be on an open quota basis.

This is a most remarkable change in five years. I happened to run across in *Hansard* for April 1957, a speech by one of those members from the province of Alberta representing the Social Credit party who drew attention to the facts in his area and I think he listed 30 or more delivery points, most of the delivery points were on the three bushel quota, some on the four bushel quota and I believe three on the five bushel delivery quota. Five years later we find almost universally across western Canada open delivery at all the delivery points.

Many of the 29 delivery points not now on an open quota have stocks of No. 1 northern wheat exclusively, and are in the Vancouver shipping area. To ship No. 1 northern from these points in excess of market requirements would cause congestion at Vancouver for a grade of wheat not in immediate market demand. However, it is anticipated that additional quantities of No. 1 northern will be required in the near future at Vancouver, and these stocks will be shipped from these 29 points. A daily check is being made on these 29 points in order that they will move to an open basis as rapidly as is possible, consistent with good marketing practices.

I have already stressed how important the stability of the wheat economy is to the prosperity of the Canadian economy in general. In achieving this stability the Canadian wheat board plays a central and vital role. This role, we all recognize, has become more difficult and complex with the growth of world surpluses and of surplus disposal programs. Consequently, the international wheat agreement, as an instrument of price stability and market guarantee, has become even more important than in the past and, in addition, our bilateral consultations with the United States have in substantial measure succeeded in safeguarding our commercial markets.

I should like to make a reference to the importance of eastern Canada as our primary commercial market for western feed grains. From time to time problems arise in the supplying of western feed grains for eastern livestock and poultry feeders. In order to bring about a closer liaison and a better understanding of these problems the Minister of Agriculture will shortly be announcing the establishment of a special eastern liaison committee to work with the Canadian wheat board.

In closing my remarks, Mr. Speaker, I should like to re-emphasize the support of the government for the principle of western producers marketing their wheat, oats and barley through the Canadian wheat board. Accordingly, I strongly recommend the extension of the Canadian wheat board's powers for another five years.

Mr. Brunsden: Will the minister permit a question?

Mr. Churchill: Yes.

Mr. Brunsden: As a matter of re-emphasis, would he give us the figures with respect to the total number of open delivery points and the total number on a seven bushel quota or less?

Mr. Pickersgill: It has nothing to do with the bill.

Mr. Churchill: Ninety nine per cent of the delivery points were on open delivery. Seven delivery points were on a six bushel quota and 22 on a seven bushel quota.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, at the very outset of my remarks I should like to join in the expression of regret at the absence of the Minister of Agriculture on the occasion of the presentation of this bill. I am sure all other members of the house will wish to join with me in the wish for a speedy recovery to full health on his part and an early return to participation in the activities in the House of Commons.

I must also say I was glad to hear the Minister of Veterans Affairs, who presented the bill, indicate near the end of his remarks that it was very difficult to overemphasize the importance of the stability of the wheat economy in relation to the total economy of our country. I think some of us may tend at times to underestimate the importance of the wheat economy in the over-all prosperity of the country. I was glad to hear him make that statement and I think it bears reiterating.

I do not propose to review the history of the wheat board legislation. When a similar bill was presented to parliament on February 1, 1957, the history was rather adequately reviewed by the then minister of trade and commerce, the Right Hon. C. D. Howe, as appears on page 888 of *Hansard* for that year. The whole history of the legislation and its development and of the changes made throughout the period since its inception are set out there, and I do not propose to repeat it.

But there are some matters in the bill that concern me a good deal and I want to address myself to them. Since the bill amends several sections of the existing act it is rather hard to describe its principle, but probably the main principle is the extension of the provisions of the act with the present powers for a further term of five years. Therefore in effect the bill renews the act

for a further term of five years although there are other important provisions in the bill.

One amendment not mentioned by the minister is the change in the definition of the word "grain" for the purpose of the act by adding rapeseed to the grains included in that designation. That is an important amendment of real substance. The development of the production of this oilseed to the present extent and the potential development in the future if proper markets can be found are quite important not only to the economy of the western provinces but to that of the whole country.

Then there is the change in the definition of the word "minister" from Minister of Trade and Commerce to Minister of Agriculture. It is a curious thing, but when that change was announced in the House of Commons taking away jurisdiction over the wheat board from the Minister of Trade and Commerce and giving it to the Minister of Agriculture no explanation was given by the government of the underlying reasons for the change. If I remember correctly, and the Minister of Veterans Affairs will bear me out in this, the change was made when he left the Department of Trade and Commerce, was moved to the portfolio of veterans affairs and the new Minister of Trade and Commerce was appointed. The new Minister of Trade and Commerce was left with a very much truncated department. Jurisdiction over wheat selling, with all its importance to the economy of the country, was taken away from him. Jurisdiction over the atomic energy control board, with all its increasing importance to this country, was taken away from him. A few other things were also taken away from him and he was left with bits and pieces of the trade and commerce department. If jurisdiction over marketing of products of our mines, the newsprint and woods industry activities was also taken away from him he would be reduced to a very junior position.

In any event, I do think that the government, having done this sort of thing, owes an explanation even at this late date as to why this change was made and why the marketing of this commodity with all its importance was taken away from the trade and commerce ministry.

Mr. Pickersgill: Would the hon. member permit me to ask him a question?

Mr. McIlraith: Yes.

Mr. Pickersgill: Would the hon. gentleman not think that question has been answered by the subsequent conduct of the present Minister of Trade and Commerce?

Mr. McIlraith: I did not say so just as nakedly as that, but that is undoubtedly so.

Mr. Lambert: Is this Pat and Mike?

Mr. Pickersgill: It is George. They would not let George do it.

Mr. McIlraith: In any event, I want to point out that surely the marketing of wheat is of sufficient importance to the economy of this country that it should be the major activity of the Minister of Trade and Commerce, who has jurisdiction over marketing generally. Certainly some explanation is owed to the House of Commons why this change was made, and surely a change is not to be made because of the personalities of different ministers occupying the portfolio at any given time. Surely that cannot be the basis of a change of this importance.

The wheat board seems to have earned the support of the producers of grain in western Canada. I think there is virtually no opposition to it today from producers, although I can recall many debates in earlier years in this house when the spokesmen in the house for the producers opposed the wheat board rather roundly and in language that was not always a model of moderation.

There are one or two things about the bill that concern me. Apart from the change extending the act for five years, I wonder why there are so many small, relatively inconsequential amendments in the bill.

The minister spoke about marketing, increased sales, the shortage of wheat in some parts of the world, credit sales and other things. This raises in my mind one question: why was there such secrecy about the China wheat sale? Why is the house not given the relevant information about that sale, although the minister talked about other sales, the number of bushels each year and certain credit sales. So far as I am concerned, I believe that the major agreement for the China wheat sale was signed before the Minister of Agriculture left for that trip across the Pacific, and the announcement he made about having signed the agreement was completely misleading.

I asked a simple question on the order paper on this subject, and I am going to read it. The question, as it appears at page 1562 of *Hansard* for March 7, 1962, was:

> On what date was the long term agreement between the Canadian wheat board and the China Resources Company with respect to the sale of wheat and barley signed?
>
> 2. How many individual contracts have been signed under this agreement, and what is the date of each?

These questions were not answered at all. The simple question with regard to the date when the agreement was signed would presumably be answered by a simple statement

of the date. No such information was given, but a long winded answer was given which reads, in part, as follows:

> Apart from the information with respect to volume and credit terms, it is contrary to government policy and not in the public interest to reveal details of the commercial sales contracts entered into by the Canadian wheat board.

I just have to say that that answer is false because I did not ask for credit terms. I did ask on another occasion for the rate of interest charged on the contract and the rate of exchange on which the price given to this house had been computed; but that information had been refused by the Minister of Agriculture and the Minister of Finance. This answer, on the face of it, therefore is false. I can give the reference in *Hansard* to the refusal of that information.

When I asked in the second part of my question how many individual contracts were signed under the long term agreement and the dates of each, I expected a simple reply stating the number—four, five or six, whatever it was. The government did not give that information, but merely this long answer, and I quote:

> Five contracts have been signed under the long term agreement negotiated by the Canadian wheat board with the China National Cereals, Oils and Foodstuffs Import and Export Corporation and its accredited agent, the China Resources Company.

I should not have said, by the way, that the number was not given. The dates were not given.

> As indicated in the reply to question (1), the details are considered to be privileged.

The details were not requested.

> The volume and shipping period for these contracts are as follows:

Then, there follows a table showing the quantities in millions of bushels and the shipping period as well as the ports, information which was not requested at all. What is the reason for the secrecy about the one point, the dates of the agreements? We can only construe from the answer that the stories in the trade about these agreements are true and that the trip across the Pacific was for window dressing. We can only conclude that the wheat board is being used, that splendid producers' organization that has functioned so well over the years and grown and developed so well over the years, for the purpose of the propaganda machine of the present government. This splendid sale is being made into a propaganda weapon for the ex-advertising man running the propaganda for the present government. There is no longer any regard for the board and its independence, or for parliament—

Mr. Brunsden: Mr. Speaker, I rise on a question of privilege.

[Mr. McIlraith.]

Mr. Pickersgill: The hon. gentleman was not mentioning you, so how could there be a question of privilege?

Mr. Brunsden: Well, a point of order, then. My hon. friend is discussing an organization that is highly admired in the western provinces—

Mr. McIlraith: That is what I said.

Mr. Brunsden: —and he is accusing it of being the tool of this government.

Mr. McIlraith: No.

Mr. Brunsden: It is the tool of no government. It is a producer organization and it is controlled by the producers.

Mr. Pickersgill: Where is the point of order? It is a point of disorder.

Mr. Speaker: The hon. member will have an opportunity to speak later if he wishes to do so.

Mr. McIlraith: The hon. member has not been listening to what I was saying. I was saying that this was a splendid producer organization. It is the tool of no one. I was accusing the present government of misusing it for propaganda purposes. I was going on to point out if they continue on that improper course they will damage the wheat board, damage this splendid producer organization. I also made it quite clear that it is the government who in this China wheat sale made the date of the contract such a great government secret, apparently for security purposes or some other reason of government policy. I want to point out that I believe all members of the House of Commons support efforts to sell wheat to China. They are very happy indeed about the fact this sale has been made, but they are greatly concerned about the conduct of this government in relation to that contract.

I challenge the Minister of Veterans Affairs when he replies to my remarks, as he will have an opportunity to do, to answer precisely the points I have raised. I should like to draw the attention of the house to another example of the abuse of the wheat board by the present government. In so far as the China wheat sale was concerned, the government saw fit to guarantee the payment of the wheat to the extent of $100 million. I asked some questions to obtain information about this, and I found out that the government had not used the vehicle heretofore always used for insuring payment on sales of wheat on credit terms. All previous sales had been insured under the export credits insurance legislation. The reason they could not use this legislation became quite obvious when we examined the provisions of the

measure. The $100 million was larger than the authority granted under that act, so the government could not use it.

However, there was another reason. It has been the practice, indeed it is an obligation under that act to produce and disclose such contracts. The secrecy could not, therefore, be pursued if that act had been used even if the government had increased the authority to guarantee payment under that act. In any event, I asked a question about the insuring of the contract and I received another rather long winded answer. It will be found in *Hansard* for February 26, 1962 at page 1246. I shall read the answer:

> This matter was covered by order in council P.C. 1961-1012 of July 13, 1961, which was reported to the house in the summary of orders in council passed that month, tabled on September 27, 1961. This order authorized the Minister of Finance to give the Canadian wheat board an undertaking that, in the event of any default by the China National Cereals, Oils and Foodstuffs Import and Export Corporation in respect of payments due the board under contracts for the sale of Canadian wheat and barley made under the long term agreement between the said board and the said corporation, such parliamentary approval as may be necessary will be sought to enable direct reimbursement by the government of Canada to the board of any payments in respect of which the corporation is in default, and authorize the minister also to guarantee to six chartered banks the repayment of advances and interest thereon made to the board up to a total not to exceed $100 million outstanding at any time for the purpose of financing the sale of up to six million long tons of Canadian wheat and barley under the long term agreement between the board and the corporation.

I ask the house to note this. The second question I asked was:

> If so, by what statutory authority was such guarantee or credit arrangement made?

Note this answer given by the Minister of National Defence:

> The guarantee was given under section 11 of the Canadian Wheat Board Act, and the authority to make the undertaking was given to use the powers vested in the crown by section 54 of the British North America Act.

I think it will be relevant, since we sometimes in this house do not look at these things, if I read section 54 of the British North American Act. It reads:

> It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address, or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to that house by message of the Governor General in the session in which such vote, resolution, address, or bill is proposed.

It will be noticed, Mr. Speaker, that that section has no applicability to the subject matter at all and no relevance whatever. The answer is that in so far as the guarantee of payment of this wheat board sale, the marketing of this vast quantity of wheat, with which, as far as I understand it, all hon. members of the house are in accord, is concerned, this section has nothing to do with it. The section says that the government has to come to the house for approval of expenditures, but once again the government did not come to the house, before making this commitment on behalf of the treasury.

The order in council is interesting. I was able to worm a copy of the order in council out of the government by having a motion of the house passed compelling its production. I got it, or at least a copy of it. It is not the complete copy, but I take it the original is in order, with the date it was signed. I received what purports to be a copy of it. This order in council is very interesting. It does not deal, of course, with the interest charged under this contract. That is another thing about which we can find nothing. But it does not make any reference to section 11 of the wheat board act as the authority for its passage. Of course, it is perfectly obvious why it does not. It is because section 11 of the wheat board act does not contain any such authority; it gives no such authority whatever. Therefore the government is in a position of having passed the order in council committing the taxpayers to a $100 million guarantee without the authority of parliament.

Our legislation has been very careful to give the House of Commons control over the expenditure of money, and the course for the government, a very proper one was to submit the commitment to the house for approval—I think it would have at once obtained the support of the house—and to disclose to the house relevant facts about the contract. I respectfully suggest that this is why the government did not see fit to follow the proper constitutional course and submit this guarantee by it to the house for approval in one of the three or four ways in which it could have done that. It could have done it under the export credit legislation by bringing that act in for amendment and disclosing the reason for getting the larger amount of money required; it could have done it by a simple vote in the estimates; it could have done it by an amendment to this particular bill. But before I go further, Mr. Speaker, I want to read section 11 of the wheat board act so that we will have on record just what it says. It says this:

> The governor in council may authorize the Minister of Finance, on behalf of Her Majesty, to guarantee on such terms and conditions as the governor in council may approve, repayment of advances made to the board, and interest thereon, on the security of grain held by the board or otherwise, by any bank incorporated under the Bank Act for the purpose of carrying on its operations under this act, or to make loans or advances to the board on such terms and conditions as may be agreed upon.

It will be seen that nowhere there is the authority to guarantee credit to a foreign country to pay for a commodity that the foreign country is buying in Canada. It will be seen that it does not give such authority at all. It is no wonder that the order in council does not follow the usual procedure of orders in council in giving its authority in the early part of the order as drafted. The draftsman, had there been any such authority, would of course have followed the obvious practice of stating his authority right in the order in council itself.

There are two or three matters that perhaps could be pointed out in this connection. If the government is going to pursue this kind of policy in handling the wheat board, they are going to break down the wheat board and destroy confidence in it. The wheat board has developed support in this country and does at the moment enjoy the confidence and respect of those concerned with it, not only the producers of grain who are using it as their marketing agency but other people throughout the country who are concerned with the economy of the country and who attach, as the minister correctly stated, major importance to the marketing of wheat in the total economy.

It seems to me that the government should in this bill, when it is among other things correcting what it calls typographical errors in the explanatory notes—I will have some questions to ask about the typographical errors, as they are described, at the committee stage—when it is making that kind of correction it surely should have brought forward, as it was obligated by law to have done last year, an amendment that would provide the authority for this guarantee that has been given. Of course, when that is done it requires the government to disclose those parts of the transaction that are relevant to its consideration by the House of Commons. That can easily and properly be done without in any way jeopardizing those competitive parts of contracts of sale that it is not usual to disclose. There is no difficulty about the matter at all other than this abnormal and improper desire on the part of the government to conceal from this House of Commons the parts of the deal with communist China that are relevant and proper for this house to consider in this commitment of public funds to the extent of $100 million without the approval of this House of Commons.

It would seem as if here, once again, the government has, with all its record of carelessness in money matters since it took office almost five years ago, committed another grave irregularity and another failure to disclose to the house and bring before the house for its approval those matters that belong exclusively to the house, namely its right to approve the expenditures of public funds.

As far as that particular transaction is concerned, the interest charged, and other relevant matters, I do not doubt that the house would have approved the granting of credit on an appropriate basis or the insuring of payments to the producers on appropriate terms. I do not think there is anyone here who would have done otherwise than was done in the case of all these sales where there has been a credit risk and it has been considered advisable to sell on credit. It seems to me that this is a matter for which the government must answer.

I cannot for the life of me understand the reason for the secrecy with regard to the date of the signing of the agreement. That has always been given in the past when there have been similar agreements. As a matter of fact, there was a great fanfare when the contract was announced. There is one aspect of this which mystifies me: in answer to a question which I asked, information was volunteered which, in my opinion, would certainly be useful to competitors—for instance, the quantities to be shipped in each month up to the end of May, 1962. A shrewd commercial agent could learn a good deal from this which would be of use in bidding for further sales. As I say, I am mystified as to why the government should have given this information, which had not been requested, while refusing to give the other information concerning the rate of exchange which had been used in computing the total value of the sales—information which is relevant and necessary for a proper consideration of this matter by the House of Commons.

I am glad to say that the government agrees with the previous government that the wheat board legislation is, in general, good legislation and that it should be extended for a further term of five years, as was done a couple of days before the change of government—as a matter of fact, shortly before the dissolution of the last parliament. I would expect that after this bill has been dealt with there will be dissolution followed by a change of government in accordance with that precedent. I am sure of that; but perhaps it is not strictly relevant to the bill we are considering, however inviting it may be to discuss the subject at this time.

I should like to ask the minister in closing whether, in addition to dealing with the points I have raised, he would give us some explanation before we reach the committee stage of the consequences of the principle of the amendment contained in clause 5 of the bill which ostensibly corrects an error in the previous act. I should like the hon. gentleman

to give the house any information which is readily available concerning the consequences of that mistake in the earlier legislation.

Mr. Arnold Peters (Timiskaming): We are again happy to have an opportunity of discussing one of the major Canadian marketing boards, certainly the greatest one the Canadian farmers have. In doing so, I should like to say we are unhappy that the Minister of Agriculture is not with us; we hope he makes a complete recovery and is able to return to his duties soon.

We are pleased to note the report of the minister that Canada is now in a more favourable position than for a number of years inasmuch as we have been able to reduce our surplus of wheat, a surplus which was considered to have been very large at its peak of more than 700 million bushels. Now, the minister says, we are down to a carry-over of only 300 million bushels. Western farmers may be interested to learn that the minister of agriculture in Ontario, speaking about grain in Ontario the other day, pointed out that we might have been guilty of the sin of expecting that our surpluses in western Canada would continue to pile up and that we might have under-estimated the quantity which should normally be held over. He suggested that it might be necessary to hold much more grain than we have held in the past. The present situation has made it necessary, in Ontario, to buy grain; conditions have made it necessary to import grain, and eastern agriculture is looking with some reservations upon the limiting of the surpluses which were considered inevitable for a long time to come. I think we may find that in the next year or two there may have to be an increase in production in those areas which are capable of increased production. We may find ourselves in the happy position of producing more wheat, since the government is going to sell that wheat.

I, personally, would like to congratulate the government on the amount of wheat it has sold. I do this indirectly because, really, it is the wheat board itself that we are congratulating. A member of this committee interrupted another hon. member a few moments ago to point out that the government was not controlling the wheat board. That is true. It is a credit to the wheat board organization and its directors, a credit to the western farmer and, I think, a credit to the governments of Canada, whether this one or previous governments, that we should now have reached a stage after 25 years at which the wheat board itself is capable of going across the world, making advantageous sales and getting co-operation from the administration to allow it to receive currency which the trading nations are able to tender. I think that is a very good thing. The wheat board has over the years developed to a point at which it commands a great deal of respect. It has also undertaken a great deal of responsibility.

I think it would not be out of place to draw attention to some of the advances made by the Canadian wheat board in the 25 years of its existence. As we all know, this is a government marketing agency. It is an agency established by parliament to market on a national and international basis all the grains specified in the act. When the Minister of Veterans Affairs announced the other day that we had participated with 57 countries across the world in establishing a new international wheat agreement, he was, I think, indicating to everyone in this country that here was a national marketing board which had come of age and which was now a prime factor in the agricultural economy of Canada. In the light of this I cannot but wonder how the members of parliament, a week or two ago, could have taken the action they did in this house and made the references they did in relation to all the national marketing boards.

This is the only major one we have tried and it has been successful. This is a socialistic type of marketing board. There are 230,000 grain producers belonging to it. Each gave up a certain amount of the free enterprise spirit to operate under the quota system which in the short term on many occasions has proved not to be advantageous. It has been argued that because of the quota system, because of the international wheat agreement and because a long term agreement had to be worked out by the board the farmer in one year may not have received as much as he hoped to receive. The farmers have to regulate themselves to a large extent by establishing quotas of production. That is essential under any marketing board we establish. Those who belong must realize they have to put something in in order to take something out. I believe the farmers of western Canada deserve to be congratulated for co-operating among themselves in establishing the board and making it successful.

I would be remiss if I did not on this occasion congratulate the present hon. member for Humboldt-Melfort-Tisdale as well as the former member for that riding. Since coming to the house I have heard much talk about rapeseed and have concluded it must be important in that area. Before the present hon. member from that constituency was elected to this house the previous representative also talked about the importance of rapeseed.

Mr. Rapp: Just once.

Mr. Peters: I believe those two hon. gentlemen have been influential enough to bring about the inclusion of rapeseed as a grain under the Canadian Wheat Board Act. The present hon. member is also to be congratulated for having introduced his famous bill which incidentally was passed by the Senate within the last few days. He has played an important role in having rapeseed recognized as a major commodity under the terms of the board.

This is a socialistic venture in which the people of western Canada have engaged. They did so for the same reason all people engage in this activity, not because they particularly want to but because they have to. They wanted more for their friends and for themselves and so they co-operated in this respect.

I have in my hand an interesting study published by the Saskatchewan wheat pool concerning orderly wheat marketing through the Canadian wheat board. Many people in eastern Canada should examine why and how the board developed. This should be prescribed reading for members of parliament. We have heard in this house more discussion about western Canadian wheat and cereal grains than we have had about all other agricultural problems put together; yet many people do not realize how the board came into existence. I will read several quotations from this study dated December 1960 and I urge all hon. members to examine it at the first opportunity. The study deals with such subjects as a 25 year history of the board and goes further back in Canadian agricultural history to deal with subjects such as "Farmers in Business", "Farmer-owned Elevators" and "The First Canada Wheat Board, 1919-1920". Reading from the paragraph under the latter chapter heading:

> The Canadian government took complete control of the Canadian wheat crop in 1917 by establishing the board of grain supervisors and closing the Winnipeg grain exchange. The board bought all wheat produced in Canada at a fixed price and managed its movement to Europe to help win the war. The board continued its operations in 1918-19.

It is interesting to note the reason why this was done—

Mr. Speaker: Order. May I interrupt the hon. member in the interesting review he is making of the history of this act to remind him that this is an amending bill which does not bring into debate the whole Canadian Wheat Board Act but only the principles involved in the amendments which, as I look at them, are somewhat restricted. I would think the hon. member is going rather far afield when he attempts to review the decisions of this house in previous parliaments in respect to wheat board legislation, unless they are involved in the amendments which are now before the house.

Mr. Pickersgill: Could I say a word on the point of order Mr. Speaker? I think perhaps Your Honour was not paying close attention when the minister introduced this legislation and gave a review of marketing under the act which really had nothing to do with the bill at all, and himself introduced and appeared to be inviting a general debate on the whole subject of the wheat board. It seems to me, the minister having set us that example, at least the official spokesman for each of the parties in the house should be accorded a similar attitude, although I quite agree on technical grounds what Your Honour said is perfectly correct.

Mr. McIlraith: Mr. Speaker, may I also be heard on the point of order? Clause 6 of the bill has the effect of removing a certain limitation period that is in the existing act. The effect of that clause is to extend the entire act as it relates to wheat for a further period of five years. If that clause were not in the bill the Canadian Wheat Board Act would terminate this year so the whole act, in effect, is at issue under that clause.

Mr. Fulton: Nonsense.

Mr. Speaker: I note that part II is to be extended for five years and also part IV which relates to the board's regulation of interprovincial and export trade in wheat to which the minister referred. However, I agree that one does not wish to be unduly restrictive in the initial speeches of the spokesmen for the various parties. Nevertheless, I do not wish to make it impossible for me to restrain the debate as it proceeds.

Mr. Peters: I thought we should review the act because I suspect there are a number of western members who will vote against this bill. One hears rumours about a certain bill on the order paper, an act to quieten doubts that have arisen concerning the constitution of and the exercise of powers by the Canadian wheat board and for the resolving thereof (Canadian wheat board).

Mr. Ormiston: Mr. Speaker, on a point of order, the hon. member for Timiskaming is anticipating discussion of a certain motion that is to come before the house and is doing so in violation of paragraph (d) of rule No. 149 of Beauchesne.

Mr. Speaker: Would the hon. member give me the reference?

Mr. Ormiston: Page 127 of Beauchesne, rule No. 149, paragraph (d).

Mr. Speaker: Not the reference to Beauchesne but to the bill he has in mind.

Mr. Ormiston: Bill No. C-61.

Mr. Speaker: As a matter of principle, of course, the hon. member for Melville is quite correct that it would be totally improper to debate another matter standing on the order paper unless the principles of that measure are necessarily involved in this particular bill. From what the hon. member for Timiskaming has said about it, it appears it is quite a distinguishable subject and should not be raised now.

Mr. Argue: May I say just a word or two on the point of order. I agree that it is out of order in one debate to refer specifically in anticipation to another debate. However, I think it would be in order to say that there is a body of evidence, of which this is a part, indicating a concerted attack against the principles of orderly marketing under the Canadian wheat board. There are evidences of this attack in this session as there have been in previous sessions.

Mr. Churchill: That is an unfounded allegation.

Mr. Pickersgill: That has nothing to do with the point of order.

Mr. Speaker: I am not sure what the hon. member for Assiniboia has referred to.

Mr. Churchill: Nor is anybody else.

Mr. Speaker: I am going to allow the hon. member to proceed.

Mr. Peters: All I was trying to do was to review the history so that the people in eastern Canada in particular would know whether they wished to support this measure at the present time to renew the five year tenure. Surprisingly enough there appears to be this year opposition to renewing it, and I use only this one example. There is the fact that they voted against it the other night on the marketing legislation. However, we will not mention that one. In my opinion the Canadian wheat board has done a remarkably good job. There have been, of course, and there will continue to be free enterprisers who complain about the restrictions of the quota system. I am sure that this matter has been a sore spot with many. These quotas have to be administered obviously by officials who have to decide what the quotas will be. The minister has just informed us tonight that the quota this year is much less restrictive than it has been for many years. The reason, of course, is obvious, and we have congratulated the minister. I refer to government assistance to the Canadian wheat board to arrange the sales of wheat in the export market, particularly to the new markets of China and Poland. In addition, there has been a terrific reduction in our surplus owing to the droughts, for which I do not expect the government wish to take much credit. However, the fact is that the quotas this year are less restrictive than they have been in other years.

In this report we find the following:

> The quota system has to be operated so that it will meet a wide variety of circumstances. The board learns of these circumstances through its contacts with markets overseas and with the elevator agents at every western shipping point. The administration of quotas is a peculiarly difficult task, but one that is essential to efficient merchandising of Canadian wheat in times of surplus.
>
> Delivery quotas have created many annoyances. But they are an essential part of today's marketing machinery. Farmers recognize the basic fairness of the quota system and the necessity for it under congested conditions. This is an area in which farmers themselves can do much to make it work. If the quota system were destroyed by abuses. all farmers would be much worse off.

I believe that this type of quota is essential in all types of marketing legislation and that the Canadian wheat board is to be congratulated on the fact that they have been able for a great number of years to operate the quota system. They have done so with the support of the majority of the grain producers in western Canada. In 1932, signs appeared on the store fronts saying "Wheat market, open trade, overstocked". One sign said, "579 million bushels, must sell, best No. 1 northern wheat, 54 cents, no offer refused". Through orderly marketing the government has been able to negotiate an international agreement that will give to Canadians under the new wheat agreement a minimum price of $1.71½ and a maximum price of $2.13⅝. While it has not been possible for the Canadian wheat board to get as much as they would have liked to receive, they certainly have been able to equalize the amount of money available to all farmers and we have been able, as a Canadian government, to find that it has been possible for one of our largest and most effective crops to be distributed in a fairly reasonable manner at what is considered to be a fairly reasonable price. Thus in 25 years in one particular commodity we have been able to develop marketing legislation that has been successful.

I believe that not the least of their accomplishments has been their ability to negotiate in an international market. You can remember, Mr. Speaker, the situation a few years ago when we used to tell the government to go off their wheat surplus and to go out and sell it. They did just that. We will always remember the remark that was made by the then minister of trade and commerce who said that these countries knew that we had the best

wheat in the world; that if they wanted it, they knew where we were; that we had always been here and that they could come and buy it. I am certainly happy to know that the Canadian wheat board did not take this position. They decided that the only way in which to sell it was to get out and sell it, and they have done very well. The Saskatchewan wheat pool has this to say:

> In the highly competitive international wheat market of today, any price reduction offered to gain a temporary advantage over a competing exporter will almost certainly set the ceiling for subsequent sales. No exporter is going to allow another to undersell in the market. In this situation, what some groups refer to as "price flexibility" can mean only one thing, that is "price cutting." And price cutting is not an effective way to sell more wheat.
>
> These are only a few of the many factors which go into the daily pricing of Canadian wheat. It is a fact that the price the wheat board has maintained is much higher than prices prevailing during any other period of big surpluses.
>
> Admittedly, the price of wheat is not high enough to compensate the western farmer for his present high costs. But, without the wheat board as a single selling agency, there is no doubt that the price would be much lower and the farmer in much greater trouble.

I believe that the history of the Canadian wheat board has been sufficiently important that it should be supported not only in western Canada but also in eastern Canada. Not only do I believe that it should be supported, Mr. Speaker, but I believe that a leaf should be taken out of its book, where with 25 years of experience the operations of a national marketing board have been successful, and that we should establish for all commodities this type of legislation.

The Canadian wheat board has certainly set a pattern. I hope I am wrong in assuming that there are some resentments against this type of co-operative enterprise on the part of primary producers themselves. But I know that the government, looking at the record of the board this year and the fact that we had been able to reduce the carry-over to what is considered by some less than a necessary reserve, will realize that we have gone a long way in our marketing legislation. I hope that all the western members, even though they be of the Conservative party and believe in free enterprise, will give their whole hearted support to the continuation of a five year tenure of the Canadian wheat board.

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I wish to make just a few short remarks on Bill No. C-75, an act to amend the Canadian Wheat Board Act. Western farmers will appreciate very much these amendments to the Canadian Wheat Board Act. In particular they will be interested in the new paragraph (e) of subsection 1 of section 2 which provides that "'grain' includes wheat, oats, barley, rye, flaxseed and rapeseed".

Mr. Martin (Essex East): The government was forced into it.

Mr. Rapp: This amendment has been a long time coming, but I should like to congratulate the government for introducing it. However, western farmers will be disappointed to a certain extent that mustard seed was not included. Under the present system mustard seed cannot be included because it has no statutory definition as to grade under the Canada Grain Act. If my Bill No. C-15, which I put before the house a couple of weeks ago, had been adopted this situation would have been changed and the government could have included mustard seed in this amendment in Bill No. C-75.

Mr. Martin (Essex East): It should have too.

Mr. Rapp: Up till now mustard seed can only be classed as commercial grade, but if my bill had been adopted it would have been given a statutory definition as to grade. This is very important because mustard seed is a very important grain and there is a future for it. There is a tremendous market for mustard seed in the United States as there also is, of course, for rapeseed. If the bill before us is not approved too soon there may still be a chance to include mustard seed under the Canadian Wheat Board Act.

I understand that in the other place last Friday Bill S-19 to amend the Canada Grain Act was introduced. This is exactly the same bill as I had before the house a few days ago.

Mr. Martin (Essex East): And it was because of the argument on your bill that they were compelled to take that step.

Mr. Speaker: Order. I know the hon. member's enthusiasm for mustard seed but may I say that the decision that the house took, if it took a decision, is not subject to review now. Nor are debates in the other place referred to in debates here. Furthermore, if the hon. member wishes to pursue discussion of the clause he mentioned there will be an opportunity to do so in committee.

Mr. Martin (Essex East): On the point of order, it may be that the hon. member and I are perhaps a little more moved in this matter than the government or other hon. members are. He and I have been working for this for some time. If I may say so with great respect, it seems to me it is open to a member to say that a bill might have been more adequate if it had included something which has not been included. That is all the hon. gentleman is doing.

He has mentioned what has taken place in the other place, and I made the observation that this had happened as the result of a bill he introduced here, seeking to suggest to the government that it should accept a responsibility which up till that time he alone had had the courage to assume. I should think, Mr. Speaker, that if Your Honour's knowledge of this subject were that of the hon. gentleman and perhaps one or two others you would understand that the matter is germane.

Mr. Speaker: As the hon. member has invited me to modify my opinion, I shall go so far as to say that, although discussion of the bill of the hon. member for Humboldt-Melfort-Tisdale is out of order and discussion of what the other place is doing is also out of order, if he wishes to discuss the principle of the inclusion of rapeseed he is at liberty to do so.

Mr. Rapp: I will abide by your ruling, Mr. Speaker, and when the bill is in committee I will deal more extensively with the new paragraph (e) as found in clause 1 of the bill.

(Translation):

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I should like to say a few words on this Bill No. C-75, an act to amend the Canadian Wheat Board Act.

Those of us who are from the eastern part of the country have many things to say about this bill. This evening, however, I will limit myself to a few comments on the feed grain market, with which eastern Canada is especially concerned.

In my opinion, this market, which constitutes an asset for eastern Canada, should be protected, representing as it does some 100 million bushels of feed grain.

Last year we suffered from a shortage of grain following the regulation imposed by the Canadian wheat board which had stored grain for export in eastern warehouses. Now, this grain shortage caused a substantial increase not only in the price of grain but also in the transportation costs of the grain which came to us by rail instead of by boat. The price of grain increased so much that the production of hogs and chickens was reduced and the eastern farmers suffered real hardship.

I believe that the best market we have for feed grain is the domestic market. The government cannot protect this market because it has no long term policy in this regard, only a day-to-day policy. It is somewhat like the dairy industry policy. We have surpluses, while we lack grain to feed our cattle.

I should have liked to quote figures to show what damage this government is causing to our eastern farmers, but unfortunately I do not have my notes with me. I shall soon have the opportunity, no doubt, of coming back on this subject to prove that the present government's policy concerning the feed grain market is harmful to our farmers.

I have another criticism to make about the government's grain policy. It has to do with transportation. There is a grain transportation subsidy policy which we mean to keep—

(Text):

Mr. Speaker: Order. Before the hon. member goes further, may I ask him what in this bill would permit any discussion of transport policy? It seems to me the discussion has been wide enough without going further beyond the scope of the limited provisions of the bill which relate to the wheat board and certain aspects of the wheat board. There is nothing about transportation.

(Translation):

Mr. Boulanger: Mr. Speaker, I think the grain transportation subsidy policy comes under the Canadian wheat board, at least indirectly. However, what I wish to say is that farmers in the east suffer from the government's policy and from that of the Canadian wheat board.

On many occasions grain dealers and farmers in the east have held meetings following which recommendations were made to the government. In particular, they made one which was not accepted, and that was the one concerning the appointment of a commissioner from the east to the Canadian wheat board. In fact, it is only this afternoon that an answer was given to a question I had put on the order paper and which reads as follows:

> How many vacancies have occurred since 1957? Give the name, address and qualifications of those appointed to fill such vacancies.

I was given the answer that the two commissioners who resigned since 1957 were not replaced by a representative from eastern Canada, although the Minister of Agriculture (Mr. Hamilton) had promised last year that a representative from eastern Canada would be appointed to the Canadian wheat board.

Surely, a commissioner from the east could have made very sound suggestions, to the benefit of our farmers.

Besides, a recommendation was made in favour of the appointment of a commissioner to control transportation and supply of western grain. If the government had accepted that suggestion, we would probably not have the problems—

(Text):

Mr. Speaker: I am sure the hon. member, if he understood what I said before, would not want to return to the question of transportation. This is not a general debate on agriculture and wheat production in all its aspects. This bill is to amend the Canadian Wheat Board Act and continue certain parts of that act, but not the whole of the act. I have tried not to be too restrictive by interfering with the hon. member when he was referring to the composition of the wheat board which, in my opinion, was out of order. Certainly, it would not be in order to deal with the problem of the transportation of grain under this act. There will be other opportunities to discuss this and I would ask the hon. member to observe my ruling.

(Translation):

Mr. Boulanger: Mr. Speaker, I am not talking about the transportation of grain but about the appointment of a commissioner who would look after the distribution, in an adequate manner, in eastern Canada. A commissioner could make suggestions to the government with regard to the distribution of grain, regulate the stocks in eastern silos, as well as the transportation of western grain to the east.

We know that the free market that exists in the United States is a threat to or a handicap for the eastern farmer. In the United States, the grain market is free, which enables the American farmer to pay a price much lower than the one the eastern farmer has to pay, and then to come and compete with our products on the eastern markets.

Thus, we noticed, last year, a considerable increase in imports from the United States, due to the lower costs of the American farmer compared to that of the Canadian farmer.

The policy of the present government has impoverished the eastern farmer to such an extent that he can no longer make a profit in stock-breeding. Furthermore, the large companies are going in for integration and want to replace the farmer.

Today, we can notice that the farmer in eastern Canada goes in for stock-breeding on a limited scale. Hog-breeding and broiler chicken-farming are affected to a large extent, and there is even today integrated breeding of slaughterhouse cattle.

Mr. Speaker, the only conclusion that can be drawn is that the policy of the Conservative government needs to be revised, not only to protect the eastern farmer, but also to prevent the exodus of the farmers who, every year, swell the ranks of the unemployed.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I direct a question to the hon. member?

Mr. Boulanger: Certainly.

Mr. Pigeon: Mr. Speaker, could the hon. member tell the house whether he wants us to maintain the Canadian wheat board or do away with it?

Mr. Martin (Essex East): That is not at all what he said. The hon. member was not listening very well.

Mr. Boulanger: Mr. Speaker, I am pleased to answer the question of the hon. member.

In my opinion, there never was any question, within the Liberal party, of doing away with the Canadian wheat board. In fact, if it exists today, it is thanks to the Liberal party.

Mr. Crestohl: There is the answer.

Mr. Boulanger: Moreover, I could add that the Conservative government is destroying now everything the Canadian wheat board did under 22 years of Liberal administration.

(Text):

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

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the bill before the house I am sure will receive general approval from all parts of the house since its main provision is to extend the life of the Canadian wheat board for a further period of five years. This is the type of orderly marketing system that has been built up over the years with the support of western producers and the approval of the parliament of Canada. This is a compulsory system for the marketing of grain, but it has the support of the overwhelming majority of western producers. In order to substantiate this statement, Mr. Speaker, I need only point out what whenever farm organizations have discussed the Canadian wheat board they have gone on record as supporting the Canadian wheat board and, further, they have gone on record in asking that the provisions of the act be extended.

The operations of the Canadian wheat board are provided for in the Canadian

Wheat Board Act, but the whole cost of the operation and maintenance of the wheat board is paid by the grain producers out of the sale price of the commodities handled by the Canadian wheat board on their behalf. From time to time, as further payments are announced by the minister in charge, it is sometimes felt that these payments come out of the federal treasury. When the cost of maintaining and operating the wheat board is discussed sometimes it is felt, and it is said, that these costs are paid out of the federal treasury.

The fact of the matter is that all of the operating costs of the Canadian wheat board are borne by the producers themselves, even pensions provided for the Canadian wheat board as well as their salaries. This is clearly demonstrated in the bill now before us, which provides for a further expense to the producers by providing for group life insurance plans and group medical plans for the employees of the wheat board. I am sure that this is the kind of provision that would recommend itself to the producers, but it demonstrates again that the producers are paying the whole of the operating costs of the wheat board.

Very often I think the producers themselves do not understand the efficiency of the wheat board's operation. When the wheat board has come before the agriculture committee of this House of Commons they have been able to demonstrate time after time that their operations are exceedingly efficient. As a matter of fact the total administrative costs of the Canadian wheat board have over the years been under one cent per bushel of grain handled. I think this is a very clear demonstration of the great efficiency of the wheat board.

There are some very large costs attached to the operations of the board for which the board pays the bill. These are the operating costs of the elevators, the storage and handling costs; but the cost of the wheat board machinery itself is less than a cent a bushel. I think that producers generally are most happy to be able to pay this very small charge and to receive the great benefits that flow from this central pooling operation and the control that flows under this act.

Mr. Speaker, there is what I call a small amendment; not that it is not an important one, but it is small in relation to the whole operation of the board, namely to include in the definition section the word "rapeseed". I would suggest that the government should have made the provision for the inclusion of mustard seed. As the hon. member for Humboldt-Melfort-Tisdale said—I think we should shorten that constituency to "H.M.T." because these names are getting rather cumbersome—"To make it effective you would have to amend some other acts". But surely that is no reason for not starting with this act; and then to make the provision for mustard seed fully effective it is necessary to amend other acts. Then the government can proceed in a regular fashion by amending the other complementary acts so that the full effect of providing for the addition of mustard seed in the Canadian Wheat Board Act would be brought about.

In recent weeks the Canadian wheat board has demonstrated the contribution it can make to orderly marketing in Canada and to the orderly marketing of grain in the world markets. The Canadian wheat board was represented at the international wheat council which discussed and made provision for a further international wheat agreement. While wheat agreements may from time to time not have within them all the provisions that some of us would wish, nevertheless this is the kind of further extension of the system of orderly marketing that commends itself to the western grain producers, and I believe will commend itself to the parliament of Canada.

Some improvements in the international wheat agreement have been obtained in part by the good work of the Canadian wheat board representation at that conference; but, Mr. Speaker, these concessions were in my judgment of a modest type. Initially they hoped to get an increase in the maximum world price of 25 cents a bushel. I think there are arguments why the increase should be more. They had to settle for an increase of only 12½ cents. Part of the reason, I think, for this concession, or this moderate settlement, was the fact that emerging nations have put forward a case for grain prices as low as possible. I think there is a great deal to the suggestion that in the marketing of grain in the world today there should be a clear division between commercial sales and sales of a non-commercial nature and that we should now have two types of international agreement, one to provide for commercial sales and another to provide for an orderly manner of distribution of grain in the non-commercial markets of the world. If this were done, then I suggest it might well be possible to get the kind of increase in the price of wheat for which producers have been hoping for many years.

Mr. Speaker, may I call it ten o'clock.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I inquire of the house leader what the order of business will be for tomorrow, and is there any change in the business for Wednesday as announced to the house last Friday?

Business of the House

Mr. Churchill: Mr. Speaker, the intention tomorrow is to continue with legislation, the bill pertaining to the Veterans' Land Act, followed by this one dealing with amendments to the Canadian Wheat Board Act, and then the second reading of Bill No. C-38 dealing with financial and other statistics.

Those three items might not consume all the time of the house tomorrow. I am expecting a bill from the other place dealing with an amendment to the board of grain commissioners act, which could be considered; and we have available, if the house is voracious for business, the resolutions in the name of the Minister of Transport. The Minister of Justice has reminded me that we also have available the resolution in his name dealing with an amendment to the Judges Act, which will be taken right after we deal with the statistics item.

Mr. Chevrier: What about Wednesday?

Mr. Churchill: We may take up the resolution in the name of the Prime Minister dealing with the electoral boundaries commission. I leave that open for consideration. That is the announcement with regard to tomorrow and Wednesday's business.

Mr. Chevrier: I have just one further question I wish to put to the house leader. In the light of what was said on several occasions, and again today on the orders of the day, is the house leader giving consideration to the statement made by the Prime Minister and himself earlier about the further supplementary estimates No. 4?

Mr. Churchill: With regard to the final supplementaries for this session, I am keeping those in mind; but on reviewing eight earlier sessions from 1950 to 1957 I found that the supplementaries took only part of a day, or two days at the outside, so I thought there was ample time.

Mr. Pickersgill: You are wrong there.

Mr. Martin (Essex East): You are wrong this time.

Mr. Argue: Trying to put it down to the opposition: arrogance, arrogance.

Mr. Pickersgill: A new form of closure.

Mr. Martin (Essex East): Closure of the worst sort. An arrogant ministry.

Mr. Pickersgill: Remember the earlier debate.

It being three minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, March 27, 1962

The house met at 2.30 p.m.

AGRICULTURE

ANNOUNCEMENT OF FREIGHT ASSISTANCE ON MOVEMENT OF SEED OATS

Hon. D. S. Harkness (Acting Minister of Agriculture): Mr. Speaker, as a result of last summer's drought in western Canada, many areas in Manitoba and Saskatchewan are without adequate supplies of seed oats. The governments of these two provinces have requested the dominion government to share with them on a fifty-fifty basis the cost of a program of freight assistance to move seed oats into deficit areas. The cabinet has authorized federal participation in a program of this kind.

The assistance provided will be limited to a maximum of 75 per cent of the total freight costs and also to a maximum of $12 per ton. Assistance will be paid only if the distance the oats are to be moved is greater than 25 miles.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I am sure the prairie farmers who are involved will welcome this announcement, but the members of this group do hope this is not in any way related to a coming election.

TRADE

EUROPEAN COMMON MARKET—REQUEST FOR STATEMENT ON MEETINGS WITH U.K. MINISTER

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce and ask him whether he has any report to make in connection with the visit of the British officials here and the British negotiations to enter the common market.

Hon. George H. Hees (Minister of Trade and Commerce): No special report, Mr. Speaker. The Minister of Finance, the Acting Minister of Agriculture and I met with the Lord Privy Seal of the United Kingdom government over the past two days. We had very constructive talks indeed. This is one of a number of meetings we expect will be held during the next weeks and months.

This program was announced when the Lord Privy Seal was here in January. We believe that these meetings are extremely constructive and useful from the point of view of both governments.

Hon. Paul Martin (Essex East): A supplementary question, Mr. Speaker. Does the Minister of Finance agree with that reply?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, my colleague has spoken for the government and for all the ministers who attended this very useful meeting. I am glad to see that the hon. member for Essex East is so attentive to this report, which I think if of a gratifying kind. I am pleased that he is now so well acquainted with the subject.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, may I ask the Minister of Finance a further supplementary question. May I inquire of the minister whether he is now convinced that the British are going to enter the common market?

Mr. Fleming (Eglinton): Mr. Speaker, the British government has never said it is going to enter the common market.

Mr. Pickersgill: I did not ask for the British government's view.

Mr. Fleming (Eglinton): Its decision has been to negotiate. It has taken the view that when those negotiations have served their purpose their government will then be in a position to decide whether or not it will enter the common market in the light of the terms that will then have been negotiated. The whole purpose of the prime ministers' conference is that there may be opportunities for consultation within the commonwealth at the highest level before any such final decision is taken.

Mr. Martin (Essex East): Mr. Speaker, may I ask the Minister of Finance whether it is a fact, as reported, that Mr. Heath visited Canada this year to forestall a visit by the Canadian Prime Minister to the United Kingdom.

Mr. Fleming (Eglinton): I think the hon. member wearing that smile behind his hand at the moment knows perfectly well that is a rather far fetched suggestion. Mr. Heath has made it quite clear, as have the Canadian ministers, that this meeting held during the past two days was a matter of continuing

consultation. Mr. Heath was here at the beginning of January. At that time it was intended that further such meetings would be held from time to time. Nearly three months have passed since the last meeting, and this week's meeting was timely. It has been extremely useful. It afforded Canadian ministers an opportunity of hearing at first hand from the minister who is conducting negotiations at Brussels on the British side.

CANADIAN PACIFIC RAILWAY

TRAIL, B.C.—COMPLAINTS RESPECTING EXPRESS DELIVERY SERVICE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Transport. While my question is based on complaints I have received from Trail, British Columbia, concerning Canadian Pacific Merchandising Services, I judge the matter does represent some difficulties in other parts of Canada and therefore has national significance. Canadian Pacific Merchandising Services is a merger of express and freight traffic into one truck service. In view of complaints that since the merger express packages take twice as long to arrive as they did formerly, despite the high express charges, and since Trail and other Kootenay localities are non-competitive points for express traffic—

Some hon. Members: Question.

An hon. Member: Order paper.

Mr. Herridge: —and complaints to the C.P.R. are ineffectual—

Mr. Speaker: Order. I think hon. members would better serve the interests of the house if they would allow the question to be completed before judging whether or not it should be on the order paper.

Mr. Martin (Essex East): Hear, hear.

Mr. Speaker: If any hon. member wishes to raise a point of order I am only too ready to consider it. The hon. member's question undoubtedly is one that would be more appropriate for the order paper.

Mr. Herridge: I thank you for coming to my rescue, Mr. Speaker, but this is a matter of urgency. Would the minister undertake to bring this matter to the attention of the board of transport commissioners and have it investigated promptly?

Hon. Leon Balcer (Minister of Transport): I shall be pleased to do so, Mr. Speaker.

[Mr. Fleming (Eglinton).]

BUSINESS OF THE HOUSE

FREIGHT RATES REDUCTION ACT—EXTENSION OF LEGISLATION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister and ask him whether it is the intention of the government at this session of parliament to extend the Freight Rates Reduction Act, which expires on April 30, 1962.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the government will make an announcement in the house when it feels it is appropriate to do so.

SUPPLEMENTARY ESTIMATE COVERING INTERIM PAYMENTS TO RAILWAYS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Minister of Finance. Is it the intention of the minister to bring down a supplementary estimate covering interim payments to the railways related to the recommendations of the royal commission on transportation, as was done in supplementary item No. 590 of the estimates for 1961-62?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, it is not my intention to introduce any further supplementary estimates for the fiscal year 1961-62. I can only express the hope that the house will see fit to deal with those estimates now before it, because the payment of wages to a good many people is awaiting approval of those estimates. I would ask the co-operation of the house in that regard.

Mr. Chevrier: A supplementary question. Does the Minister of Finance not think that if these estimates are of such urgency they should now be before the house?

Mr. Fleming (Eglinton): Mr. Speaker, they are before the house, and hon. members opposite know that it has been the practice of the house for long years, certainly when the hon. member for Laurier was a minister of the crown, for the final supplementary estimates to be dispatched through the house in a matter of a day or two.

Mr. Chevrier: Never under these circumstances.

Mr. Pearson: Never.

Mr. Fleming (Eglinton): These estimates, as is well known, are in practically every case simply to provide further amounts required to carry out purposes approved by parliament when the main estimates were approved and adopted.

Mr. Chevrier: May I ask a supplementary question. Has the minister given consideration to the fact that supplementary estimates No. 4 are almost a complete duplication of supplementary estimates No. 3?

Mr. Speaker: Order. I think the hon. member would do better to reserve further discussion of this point, which now seems to be taking the form of a debate, until the estimates are called. After all, the ordering of government business is the responsibility of the government, and it is not a matter that should be debated before the orders of the day.

Mr. Chevrier: Speaking to the point of order, may I say that all I wanted to do was point out the parallel that exists between these two supplementary estimates, in order to show the utter confusion on the part of the government in bringing down supplementary estimates No. 4.

Some hon. Members: Order.

Mr. Fleming (Eglinton): Mr. Speaker, there is no overlapping whatever between supplementary estimates No. 3 and supplementary estimates No. 4 or indeed between supplementary estimates No. 4 and any other estimates whatever.

Mr. Chevrier: No. 5.

Mr. Fleming (Eglinton): The hon. member speaks about confusion, and it is regrettable that the confusion is entirely on the part of the hon. member for Laurier.

Mr. Martin (Essex East): I rise on a question of privilege, Mr. Speaker.

Mr. Pickersgill: I rise on a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Essex East rises on a question of privilege, and in that case I hope he is not going to resume this discussion, which as I have already indicated, the hon. member will have an opportunity to resume at another time.

Mr. Martin (Essex East): I do propose to raise this issue on a question of privilege, because the question of privilege does arise out of the arrogant statement just made by the Minister of Finance.

Mr. Speaker: I have heard the minister's statement.

Mr. Martin (Essex East): But I have not stated my case.

Mr. Speaker: The hon. member has said a question of privilege arises out of the arrogant statement made by the Minister of Finance. I heard the statement made by the Minister of Finance, and in my opinion there is no question of privilege arising out of it.

Mr. Martin (Essex East): Would you allow me to state that I do think there is a question of privilege?

Mr. Fleming (Eglinton): Don't be so arrogant.

Mr. Speaker: I do not know what more the hon. member can say, because I heard the statement and he heard the statement. In my view there is no question of privilege arising from what was said.

Mr. Martin (Essex East): That may be your judgment, sir, after you have listened to me, but surely I have the right to state why I believe I have a question of privilege. The Minister of Finance has indicated that supplementary estimates No. 4 ought to be dealt with with dispatch. It is within the control of the government to decide what business we deal with from day to day, but it is not open to any minister to charge that we have got to deal with particular estimates by a certain period. If we are denied the right to debate these questions, then that is a course of action which I believe is contrary to the rules of this house.

Mr. Speaker: The hon. member will have an opportunity, when the estimates are called, to express his views about the course the government took in ordering its business. As I suspected, there is no question of privilege, and in my opinion the hon. member was seeking to continue the debate.

(Translation):

HOUSE OF COMMONS

BELLECHASSE CONSTITUENCY—REQUEST FOR INVESTIGATION

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I should like to direct a question to the Secretary of State.

Following the statement he made in the house yesterday, could the minister now comment on the part his assistant secretary, Mr. Marc Andre Bouchard, played in that affair?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, yesterday I stated that the R.C.M.P. has been asked to make a full investigation.

As early as last Thursday, I personally gave the names of the people whom I felt could be advantageously questioned so that the investigation might be completed during the week end.

Inquiries of the Ministry

Since then I obtained further information which I passed onto the R.C.M.P. yesterday afternoon. As soon as the results are known, we will take the necessary action.

(Text):

Hon. Jacques Flynn (Minister of Mines and Technical Surveys): I rise on a point of order, Mr. Speaker. The previous question was entirely out of order, as this is a matter which concerns the director of elections, so I am sure that any supplementary question would be out of order. It is about time that hon. members on the other side of the house obeyed the rules.

Hon. J. W. Pickersgill (Bonavista-Twillingate): If I may, Mr. Speaker, I should like to say just one word on the point of order, as a former secretary of state. It is well known that the Secretary of State acts in this house as the channel of communication between the chief electoral officer and the house. I therefore submit to Your Honour that it has been a time honoured practice to put to the Secretary of State questions regarding the office of chief electoral officer, and I have never before heard exception taken to it.

Mr. Speaker: I am not sure but that the question, if it relates to the same matter that was raised yesterday, was directed to the Secretary of State in his capacity as a member of parliament and not as Secretary of State. At least that is the way it appeared to me. However, I will hear the supplementary, and perhaps we can then determine whether or not the question is properly asked.

(Translation):

Mr. Gabriel Roberge (Megantic): Mr. Speaker, I should like to ask the Secretary of State whether he intends to suspend his assistant secretary pending the investigation?

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): That is none of your business.

Mr. Dorion: Mr. Speaker, until I get a report from the R.C.M.P., I do not think it would be proper and justified to take any action.

[*Later:*]

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I should like to put a supplementary question to the Secretary of State.

Could the minister tell us who recommended Mr. Labrecque for the position of returning officer in the riding of Bellechasse?

(Text):

Mr. Speaker: Order. I would suggest that the hon. member put his question on the order paper.

[Mr. Dorion.]

NATIONAL DEFENCE

NUCLEAR WEAPONS—REPORTED OFFER OF JOINT CONTROL

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister if it is a fact, as reported by the Canadian Press in today's morning newspapers, that the United States has offered Canada joint control over nuclear weapons on Canadian territory on the same basis as the Anglo-U.S. arrangement, the two key system?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, nothing has taken place since the last report in this connection, and any article that may have been published today is purely speculative in every way. I have nothing to add to what has already been stated.

EXTERNAL AFFAIRS

CUBA—REPRESENTATIONS RESPECTING TRIALS OF PRISONERS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, yesterday the hon. member for Essex East asked this question:

—what consequences have flowed from representations which the Secretary of State for External Affairs said some six weeks ago would be made with respect to the apprehension of certain Christian trade union leaders in Cuba?

While the Canadian government expressed its general concern about the fate of prisoners in Cuba last February, representations were then made with special reference to the case of Reynol Gonzalez, who was well known in Catholic labour circles in Canada and was reportedly under threat of the death sentence. The Cuban authorities have informed us that Mr. Gonzalez has not yet been tried and accordingly is not yet under any sentence. We were assured that the Cuban government would take special account of Canada's interest in this case.

VETERANS' LAND ACT

AMENDMENTS TO EXTEND QUALIFICATION PERIOD, ETC.

Hon. Gordon Churchill (Minister of Veterans Affairs) moved the second reading of Bill No. C-80, to amend the Veterans' Land Act.

Motion agreed to, bill read the second time and referred to the standing committee on veterans affairs.

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING DEFINITIONS, CONTROL OF DELIVERIES, ETC.

The house resumed, from Monday, March 26, consideration of the motion of Mr. Churchill for the second reading of Bill No. C-75, to amend the Canadian Wheat Board Act.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, when the debate adjourned last night I had been pointing out that the extension of the Canadian Wheat Board Act was something that would receive the overwhelming support of the producers in western Canada, and that over the years the Canadian wheat board had served the interests of the grain producers in a very efficient manner.

I had also referred to the discussions that had taken place to bring about another international wheat agreement, and the Minister of Veterans Affairs correctly pointed out two main reasons why the surplus grain situation no longer exists. The first of these, and I think this is the minor one, is the increase in Canadian sales of wheat, and the second reason is the very widespread drought experienced last year which followed a number of years of less than average rainfall. The minister also pointed out that 99 per cent of the delivery points are now on an open quota; but I contend that the grain producers, from the standpoint of potential income within the next few months, are in a very serious situation.

The anticipated deliverable grain from March 1, 1962 to July 31, 1962 totals 177.2 million bushels. This includes all grains, and I would point out that the figure for the same period last year was 554 million bushels. Therefore the income position of grain producers will be very serious during the next few months. This is not the occasion to advocate legislation to bolster farm income, particularly in relation to potential crop failures, but the government should take action in other legislation to protect the farmers from what is a very serious financial crisis at this time.

We have heard many statements about when the election will take place. I have guessed before and guessed wrongly. I probably could guess wrongly again, but the Prime Minister announced that the final payments, after all possible expenditures have been flushed out of the wheat board funds, will be in the producers' hands by May 28. I think that at least has some significant bearing on the date of the election. I am not complaining in any way about the action that has been taken to make interim payments, or about the government doing everything possible to put more money in the pockets of the grain producers at the present time.

but one can only wonder whether this action would be taken in a non-election year, or whether this is an instance of government action being influenced by the proximity of the general election.

The Minister of Veterans Affairs used some statistics to show the improvement being brought about in the ceiling prices by reason of the change in the international wheat agreement. It has been said that there can be a 12.5 cents increase per bushel in the prices to producers because of the increase in the ceiling, but I would like the minister to explain why the present selling price for No. 1 Northern wheat out of Fort William and Port Arthur is $1.90 plus a fraction of a cent, which is about nine cents lower than the maximum under the present international wheat agreement in terms of the Canadian dollar. Our dollar is at a discount today, and the maximum price for wheat under the international wheat agreement is certainly not being obtained for the grain that is being sold out of Fort William/Port Arthur. How can the minister contend, when the wheat board is unable to get the maximum price for wheat under the agreement at this time, that there is any real possibility of getting the maximum in discounted Canadian dollars, to which the minister referred last night, of $2.14 a bushel? I think the minister is just fooling the farmers when he puts forward those figures as a realistic possibility. I suggest to him that they are not; that as the minister introducing this legislation he probably knows they are not, and that he should not be using statistics of this kind.

My main question is this. Why is the wheat board unable to get the maximum price today for wheat out of Fort William/Port Arthur? And if it cannot get it now, why does the minister imply that the wheat board may be able to get the maximum price under the new wheat agreement which will come into effect on August 1?

This amendment gives us an opportunity to review the operation of the wheat board over a five year period, as the minister has said. There has been established under the wheat board something which is called a special account. The money in this fund was accumulated as a result of the fact that certain sums credited to grain producers from time to time have not been claimed. This money is set aside in what is called a special account, and it can be used upon the authority of an order in council set up by the government in what the government believes to be, or says it believes to be, in the interests of the grain producers. In the crop year 1959-60 an order in council was passed which is referred to in this report

as PC/1960/519. This took $775,000 of the farmers' money out of this special account to pay to the United Grain Growers Limited because they had an accident in one of their terminals at Port Arthur. The report states:

> On September 23, 1959, the out-shore annex of the United Grain Growers Limited terminal elevator "A" at Port Arthur, Ontario, collapsed. The collapse resulted in the loss of 1,914,760.1 bushels of wheat, oats and barley valued at $2,406,175.22.

This was a loss suffered by one elevator company. True, it was a farmers' elevator company, but I suggest it is not a proper use of this fund to take $775,000 out of this special account and pay it to a single elevator company. The moneys in this account should be used, in my judgment, for the general advantage of all grain producers, and not as a kind of slush fund out of which dollars are made available to an elevator company because it lost certain sums as the result of an accident. I think such an accident as this is an ordinary risk which the company itself should cover by putting away proper reserves for an emergency, taking out insurance and so on. I would ask the minister when he speaks to tell us why it seemed appropriate to take this $775,000 out of the special account and pay it to one elevator company which had suffered a certain loss in grain in a terminal elevator.

The minister wound up his statement last evening by saying that the Canadian government, in presenting this bill, had demonstrated its support of the wheat board as a marketing agency for wheat, oats and barley. However, during the term of office of this government the jurisdiction and the effectiveness of the Canadian wheat board have been undermined. They have been undermined in relation to the sale of feed grain to the feed mills in the prairie provinces. The first excuse was that the wheat board did not have the legal jurisdiction to ensure its quota regulation. Then certain references were made to the supreme court, and the jurisdiction of the wheat board was upheld. But even in the face of this decision by the supreme court, members on the government side of this house carried on an attack directed against the wheat board, an attack on the marketing of oats and barley on the prairies by the wheat board to the feed mills. Led by the hon. member for Provencher (Mr. Jorgenson) and in face of stated opposition from the wheat board and from all the farm organizations, except perhaps one, they were able to remove the jurisdiction of the wheat board in this field.

Mr. Muir (Lisgar): May I ask the hon. member a question? Can he recite any opposition which has come from the wheat board with regard to the feed mill policy?

Mr. Argue: Oh, yes. Opposition to this policy which is being followed was stated in the committee.

Mr. Muir (Lisgar): I was in the committee but I did not hear any opposition.

Mr. Argue: You could not have been listening. The representatives of the board appeared and stated their opposition.

Mr. Muir (Lisgar): You could not have been there.

Mr. Argue: I was there. The wheat board opposed this policy. The record is clear. Of course since then the government has arranged that this shall be done and the wheat board, I suggest, has no alternative but to support the government's action in undermining the board by taking out of its jurisdiction the sale of oats and barley to feed mills on the prairies.

Mr. Muir (Lisgar): May I ask the hon. member—

Mr. Argue: I have the floor. If the hon. member wants to ask questions he can do so after I have sat down.

Mr. Speaker: Unless the hon. member yields the floor the hon. member for Lisgar will have to wait his turn.

Mr. Argue: I suggest this was the thin end of the wedge. I suggest the Conservative members in this house were following the traditional Tory attitude of tearing down the jurisdiction of the Canadian wheat board in this field.

Some hon. Members: That is not true.

Mr. Argue: Well, the attack has been made, and it has been successful. The jurisdiction of the wheat board over the sale of oats and barley to feed mills within the prairie provinces has been successfully removed. And, of course, this has increased the pressure from other parts of Canada to have the jurisdiction of the board still further reduced. The hon. member for Melville, who is a genial member, believes that the jurisdiction of the wheat board should be tested even further in the courts. He believes that in future the wheat board should have to go to the Minister of Agriculture to get permission to prosecute wrongdoers who have been bootlegging grain from the prairie provinces across interprovincial boundaries.

I suggest that if this course were to be followed the whole system of the orderly marketing of grain in Canada would be completely undermined. I think the system of orderly marketing built up over the years under the wheat board system has been a good one. I think it should be protected, and

I think the policy of the government with regard to feed mills has been a mistake.

The Minister of Agriculture said that before the end of the crop year, July 31, 1961, he would provide for further submissions before he made his policy for the present year clear and final. My understanding from the farm organizations is that he has never consulted them. He never gave them a chance to make representations. He merely went forward in the present crop year with this policy which has undermined the jurisdiction of the Canadian wheat board. I think any reference to the courts in the future instituted or supported by members of parliament or the government to restrict the areas of jurisdiction would be a great mistake. The Canadian wheat board is today supported by farm organizations and producers. Instead of attempting to tear down the jurisdiction of the wheat board as it now exists I feel further steps should be taken to strengthen the wheat board, to restore the jurisdiction it once had and to make it a more effective organization in the marketing of producers' grain both within Canada and in export trade.

Mr. Brunsden: It still has wide jurisdiction.

Mr. Argue: The announcement as to new prices in the international agreement is important, but I do not understand how the minister can make the claim that there is any real possibility of getting $2.14 a bushel in the future for wheat being sold out of Fort William. I should like the minister when he answers to explain the basis of his statements, and to explain why $775,000 of the farmers' money was paid to one elevator company. I should also like him to make it abundantly clear, if he will, that the government has no intention of further undermining the wheat board jurisdiction over the sale of grain both within Canada and outside our country.

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, one would have thought that the hon. member for Assiniboia, now removed from the seclusion of the far corner of the house into the midst of the official opposition party, would have brought some moderation with him; however, it seems to me he has brought all his pessimism and his capacity for wild statements along with him. I would gather that since he could not compete with the hon. member for Essex East in this regard, he decided to join him. It appears to me the hon. gentleman has neglected to erect a partition between his imagination and his information.

I should like to deal with one aspect of the hon. gentleman's remarks, and that is the question of the policy with regard to the feed mills. The hon. gentleman has suggested that I was the one who led the Conservative party into compelling the wheat board to adopt this change in regulations with respect to feed mills. Let me put the record straight. This matter was brought to our attention on a number of occasions not only by the members of the board but by farmers and feed mill operators. It was decided that hearings of the agricultural committee would be held and representations would be heard from all organizations interested in this matter. This was done, and upon the conclusion of all the evidence presented before the committee the decision was taken unanimously. I repeat that it was a unanimous decision.

Mr. Argue: Not with my support.

Mr. Jorgenson: I am sure the hon. member upon reflection—

Mr. Argue: I opposed it all the way through.

Mr. Speaker: Order. The hon. member has just finished his speech and the parliamentary secretary now has the floor.

Mr. Argue: Well, I do not want him to be unfair, Mr. Speaker.

Mr. Jorgenson: I am not being unfair. I am merely pointing out that it was a unanimous decision on the part of the committee that the Canadian wheat board would examine this regulation. It is certainly not our fault that the hon. member failed to be present at that meeting.

An hon. Member: There were other Liberals present.

Mr. Jorgenson: There are several aspects of the whole question of feed mills which have not been and should be fully dealt with. I think it should be made clear that in so far as jurisdiction regarding price is concerned, the Canadian wheat board never did have jurisdiction over the price of grain going into non-agreement feed mills. They were responsible for the administration of a quota for the reason that the board has outlined, simply to regulate the flow of grain.

Mr. Argue: That affected the price. That fixed the price.

Mr. Jorgenson: In the terms of the Canadian Wheat Board Act it is stated clearly that the board has responsibility for the movement of grain in interprovincial and export channels. They have no jurisdiction over the movement of grain within a province. It is perfectly legal and it always has been for a farmer to sell grain to another farmer. I ask the hon. member what justification there is in allowing one farmer to sell his grain to a feed lot operator or to a feeder in perfect legality and

in penalizing another farmer merely because he sells his grain to a local feed mill.

Mr. Argue: So you penalize them all.

Mr. Jorgenson: Here again you have a problem affecting the smaller farmer. The hon. member for Assiniboia always claims to be the champion of the small farmer, but the very suggestion he is making would have the effect of penalizing the small farmer by compelling him to buy his grain at wheat board prices while the feed lot operator or the big rancher who has the equipment to go out and transport grain is able to obtain the advantage of a negotiated price from the producer. I ask the hon. member what justification there is for that policy.

It is elementary to law enforcement that it is extremely difficult if not impossible to enforce rules and regulations unless they have the support of public opinion. It was quite evident right from the start that public opinion was behind the wheat board changing their regulations in this regard. The only criticism of this policy we have heard has come from the hon. member for Assiniboia and some of his friends in the province of Saskatchewan. With the few exceptions I have mentioned the decision of the board in adopting this policy has received unanimous acceptance.

Mr. Argue: That is not true.

Mr. Jorgenson: Certainly at this time the board has better jurisdiction and better authority in the administration of this policy than they ever had before. They have a better idea of the amount of grain that is going into feed channels and a better idea of what amount of grain is being purchased by the feed mills. After this has been dealt with so many times, and in view of its approval by farm organizations without criticism save for that of a few friends of the hon. member, I fail to see why he continues to bring up this old chestnut.

An hon. Member: They were his friends.

Mr. Jorgenson: Yes. Someone suggests that they were the hon. member's friends. I wonder how closely related to him they are now.

Mr. Argue: What about the Saskatchewan wheat pool?

Mr. Brunsden: What about it?

Mr. Argue: It is opposed to this policy, and so is the national farmers' union.

Mr. Jorgenson: In this connection I would say that whereas under the old arrangement there were only 60 feed mills out of a total of 182 that had agreements with the Canadian wheat board, at the present time practically all the feed mills have agreements with the board, affording the board an opportunity to exercise a greater degree of control over the moving of grain into the feed mills, in addition to helping the smaller producers in obtaining their feed supplies at local mills in the manner in which they wish to purchase these supplies. In many cases the farmers do not have the equipment with which to go out and buy the grain, truck it home, grind it and mix it; they depend on the local feed mills for this service. The change in regulations enables the feed mills to provide that service for the smaller farmers. Rather than being detrimental to the smaller producer, it is of great help to him. Regardless of what the hon. member may suggest, I am going to continue to make in this house recommendations and suggestions which will help the smaller producer rather than make it more difficult for him to compete.

Mr. Brunsden: Will the hon. member for Provencher permit a question?

Mr. Jorgenson: Yes.

Mr. Brunsden: I would have addressed this question to the hon. member for Assiniboia, but I know he would not have the answer, as he bobbed into the meetings of the agricultural committee, asked a couple of foolish questions, got his name on the record, caught the odd headline and disappeared.

Mr. Speaker: Order.

Mr. Brunsden: I have not put my question yet, Mr. Speaker, and it is this. In terms of bulk grain or in terms of millions of bushels, what is involved in sales to feed mills?

Mr. Jorgenson: In reply to the hon. member's question may I say that the total amount of grain involved represents about 1½ per cent of the total volume of grain handled by the Canadian wheat board.

Mr. Argue: About 10 million to 12 million bushels a year.

(Translation):

Mr. Augustin Brassard (Lapointe): Mr. Speaker, I should simply like to add a few remarks to those of the hon. member for Assiniboia (Mr. Argue) on the Canadian wheat board.

On March 26, the Minister of Agriculture (Mr. Hamilton) replied to a question put by my colleague from Drummond-Arthabaska (Mr. Boulanger). The third part of starred question No. 315 reads as follows:

How many vacancies have occurred since 1957?

And here is the answer, as found on page 2157 of *Hansard* for March 26, 1962:

The Canadian Wheat Board Act provides for the appointment by the governor in council of

not less than three nor more than five commissioners. At no time have there been five commissioners serving on the board. Since 1957 there have been two resignations and two appointments.

The fourth part of the question asked by the hon. member for Drummond-Arthabaska reads as follows:

Give the name, address and qualification of those appointed to fill such vacancies?

And here is the reply given by the minister:

4. Mr. J. T. Dallas was appointed a commissioner on September 1, 1958 and resigned on December 31, 1960, Mr. J. B. Lawrie was appointed a commissioner December 22, 1961. Prior to their appointments Mr. Dallas was executive vice president of the Continental Grain Company, Winnipeg, Manitoba, and Mr. Lawrie was European manager of the Canadian wheat board, London, England. Both these gentlemen, because of their successful association over many years with the Canadian grain trade in executive capacities, were highly qualified to assume the responsibilities of commissioners of the Canadian wheat board.

I remember very well, Mr. Speaker, that the Minister of Agriculture—following several requests made by eastern farmers and representations by my colleague from Drummond-Arthabaska, as well as by a few others of my colleagues—while he may not have promised it, certainly gave us to understand that he would appoint to the board a representative from the eastern provinces who would see that the interests of the eastern farmers, that is the farmers in Ontario, Quebec, the maritime provinces and Newfoundland, are protected.

I suggest that the minister should have had the time to make the appointment since that statement was made.

Before my hon. colleague from St. Hyacinthe-Bagot (Mr. Ricard) gets up and charges me of trying to set the western farmers against the eastern farmers, I should like to add that we are very glad indeed to note that the hon. members from the west are looking after their constituents, the western farmers. Such is their duty and they do not fail in that duty.

But, without wanting to set the western farmers against the eastern farmers, it is also our duty to look particularly after the farmers in Ontario, Quebec, the maritime provinces and Newfoundland. That cannot be challenged. For once, I should like the Minister of Agriculture to look into this problem and to help us to refute certain ideas currently expressed throughout the province; he should see that everyone is given a fair deal, for the people of Quebec—as well as those of Ontario—are Canadian citizens just like the people of the western provinces.

We are all proud to belong to the same country, Canada, but we wish to see everybody treated on an equal footing, in the ten provinces. That is what we are asking.

I should also like to ask the Minister of Agriculture, or the hon. gentleman who is representing him in the house, if he intends to allow eastern farmers to buy directly from western farmers, without having to go through brokers, wholesalers or the Canadian wheat board. Since such a privilege is granted to western farmers, I wonder why the Minister of Agriculture should not give a similar one to eastern farmers.

One of the parliamentary secretaries to the minister said a while ago that they first have to know public opinion before they can make changes in the regulations of the Canadian wheat board. Hearing such an argument makes me wonder.

The hon. member for Assiniboia stated in very plain language that there was discrimination in that field. The government knows about that. Why should they have to wait for public opinion to take action? Do their actions depend on public opinion? Do they give more consideration to the votes they can get from public opinion than to justice towards all Canadian citizens?

That is the question I put to him and I should like to have an answer. Especially, I should like to hear someone tell me if, before long, eastern Canada will be represented on the Canadian wheat board.

(Text):

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, as a member from the west and one who represents several thousand farmers in the constituency of Bow River I could not sit silently today and hear statements made by a former graduate from Saskatchewan—I refer to the hon. member for Assiniboia—to the effect that the Canadian wheat board had been undermined. Sometimes it is necessary to go back and look at the record and at history. I think I can safely speak for other Conservative members and say that we stand wholeheartedly behind the Canadian wheat board and believe it is the only type of marketing agency that will serve the western Canadian farmer well. When the charge comes from the newly adopted Liberal member from Assiniboia to the effect that we were undermining the wheat board, it is necessary then to look at the history of the wheat board and ascertain who created it.

Mr. Brassard (Lapointe): Someone who knew something about agriculture.

Mr. Woolliams: I agree with the hon. member. I am glad that I was interrupted

by the hon. member for Lapointe. After listening to his speech and that of the hon. member for Assiniboia I found that they took opposite sides of the fence, and I wondered which one was the true Liberal after all. The hon. member has had his chance to make his speech. If he will just give me a few moments in which to do so, I will deal with the history of the Canadian wheat board.

If you go back, Mr. Speaker, to June 13, 1935, volume IV of the debates of the House of Commons, or in fact if you go through the whole volume you will see that it is made up of the debate on the Canadian wheat board. I think it is time some western Conservative member set the record straight once and for all, and made it clear that the Canadian wheat board came about through the instrumentality of a great Conservative who represented a part of my riding of Bow River but which at that time was called Calgary West. I refer to none other than the late Right Hon. R. B. Bennett. The farmers of Alberta, and I am sure the farmers of Saskatchewan, know that it was R. B. Bennett who created the Canadian wheat board as a result of which there was, in the words of the hon. member for Assiniboia, some facsimile of organized marketing.

One cannot deal with these amendments without going briefly into the history of the wheat board. Just read the debates. Who was it who talked for days and months in 1935, delaying the legislation creating the Canadian wheat board? None other than the Liberal party. That may be why the Liberal party had to go elsewhere for a representative from the Canadian west at this time. It is the reason they have had no representation in western Canada.

The farmers know who their friends are. The farmers know who created the wheat board and who are the friends of the wheat board. There has been talk about undermining the wheat board, but who was it who opposed R. B. Bennett in 1935 when he tried to create the board? The Liberal party; they opposed it. When the bill was brought in at that time they talked for days on the Canada Grain Act, out of which gradually grew the Canadian wheat board as we know it today. There is not a Liberal here who will stand up in his place this afternoon and deny that the foundation for the creation of the Canadian wheat board was the Conservative party. In fact, to the farmers of western Canada the Canadian wheat board is Mr. Conservative.

It is all hogwash for the Liberals to talk about undermining the wheat board and for them to say that the hon. member for Humboldt-Melfort-Tisdale who sits in front of me, has suggested that the Conservatives have not been playing ball with the Canadian wheat board. I should like to say here that it is because of the amendment introduced by the hon. member for Humboldt-Melfort-Tisdale, whose riding I know well because I lived there for almost 10 years, that rapeseed is now classified as a grain. As a member from another province I wish to congratulate the hon. member, because this shows what one Conservative is doing and it shows that we all work together for the common good of the western farmers.

Another charge was made in connection with the new international wheat agreement. It is not so many years ago that the western farmer when he was leaning over his back fence and talking to you would say, "Why did C. D. Howe not compromise to the extent of five cents a bushel", so that an international wheat agreement could have been consummated by those countries that wished to buy the best wheat in the world from western Canada? It was the Liberals who made the mistake, and it is time it was put on the record that because of that mistake a surplus of some 700 million bushels of wheat was piled up in bins, on the ground, in barns and other buildings, all stored in western Canada when we took office. However, because of the dynamic action of the Minister of Veterans Affairs (Mr. Churchill) and the Minister of Agriculture (Mr. Hamilton, Qu'Appelle) we were able to unload the surplus created by the former administration. The western farmer knows what I say is correct, because wherever you go western farmers will tell you exactly what I am saying in this chamber today.

The hon. member speaks about the Saskatchewan wheat pool. Everybody in Saskatchewan and Alberta knows that it was a Conservative government that kept the wheat pools in operation financially during the depression of the 30's. They know who are the friends of the wheat pools, the friends of the co-operatives and the farmers. Let us see what some of these distinguished men have had to say about the international wheat agreement. I refer now to the *Wheat Pool Budget* of March 16, 1962, where I find the following:

> In view of greatly reduced supplies in most wheat exporting countries, exporters had hoped to get a somewhat higher ceiling.

It is obvious that the farmers want more for their wheat and everything they sell, but at the same time they are fair. We all want the best price.

> G. L. Harrold, president of the Alberta wheat pool who attended the Geneva meeting, said: "We had hoped for another 2½ cents", and that the current increase is "probably a compromise".

Let us pause there for a moment, Mr. Speaker. Was it not better that we reach a

compromise than turn down the agreement, as C. D. Howe did under the former administration, thus letting surplus wheat pile up on the prairies so the farmers could not meet their obligations? Let us see what the president of the Saskatchewan wheat pool had to say about the recent agreement. These are men who represent farm organizations and speak for the farmers, and when the hon. member for Assiniboia says that we are undermining the wheat board or undermining the farm organizations the farmers just do not agree with him.

Mr. Argue: Tell us about the feed mills.

Mr. Woolliams: The parliamentary secretary answered the hon. member very well in that regard, and I am not one who believes in repetition. Read his speech tomorrow if you did not listen to it.

Mr. Pickersgill: Did you say "reputation"?

Mr. Woolliams: I quote:

> Charles Gibbings, president of the Saskatchewan wheat pool, said that under the circumstances the agreement was the best that could be negotiated and still have sufficient countries involved to make it effective.

In other words Mr. Gibbings, the president of the Saskatchewan wheat pool, for whom I have tremendous respect, said it was necessary for a compromise to be reached. He said it was necessary under the circumstances in order to get a firm agreement. These two gentlemen, the presidents of the two great farm organizations of western Canada, have patted the government on the back and said that under the circumstances we have acted properly.

Mr. Argue: They patted themselves on the back.

Mr. Woolliams: We can do that too, because we have something to pat ourselves on the back about. We got rid of the surplus that you talked about, and when you went back to Assiniboia you found out that the farmers like the acreage payments. That is probably why you switched parties.

There was one other charge that I think should be answered. It was made by the new wheat critic of the Liberal party, the hon. member for Ottawa West (Mr. McIlraith). He said it was rather unusual that the wheat board should be taken away from the Department of Trade and Commerce and placed under the jurisdiction of the Minister of Agriculture.

Mr. Argue: Now it is back in veterans affairs.

Mr. Woolliams: Let us face facts. We know it was a good move because since that time, and with the co-operation of the Department of Trade and Commerce the government, through the Minister of Agriculture and the former minister of agriculture, has been able to negotiate large sales of wheat to communist China and other countries and unload the surplus. The proof of the pudding is in the eating. Maybe the change should have been made in the days of C. D. Howe, because I am confident that Mr. Gardiner would have liked to have the wheat board under his thumb. He could not get along very well with Mr. Howe. He practically admitted that in Alberta on several occasions and apologized because there was such a large surplus of wheat at that time.

When we hear loose criticism of that nature I wonder whether the Liberals are not looking for something to talk about in the hope of influencing somebody and confusing the people enough so the odd farmer may vote for them. It will take more than the hon. member for Assiniboia, the new member of the Liberal party, to convince the farmers of western Canada that they need the Liberal party to look after their interests.

Let us review the situation. The Conservative party has always stood solidly behind the wheat board. We created it, and we believe it is a good marketing institution. It organized the sellers so they could deal with the organized buyers. We also believe that the Canadian wheat board should be under the Department of Agriculture, because then you have the proper relationship between the Minister of Agriculture and the board, and the minister can work hand in hand with the Minister of Trade and Commerce and his department. Finally, I say that when the hon. member for Assiniboia or any other member of the Liberal party says that we have undermined the wheat board, he is just whistling "Dixie" but he has got the wrong tune.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I had not intended to take part in the debate on this bill until the hon. member for Bow River (Mr. Woolliams) displayed another of his varied talents today and undertook the role of historian. He told us about the devotion of the Tory party in the thirties to the wheat farmers and how grateful the wheat farmers were to Mr. R. B. Bennett. I sent for a parliamentary guide, because I lived in the prairies in those days and I remember something about that devotion. Of course the hon. gentleman did not say that for 22 years after the event he described the farmers of western Canada expressed their gratitude to the Tory party in the following fashion:

Mr. Woolliams: By voting C.C.F.

Mr. Pickersgill: In 1935 the Conservatives got three seats in the prairie provinces and the

Liberals got 29, which perhaps gives some indication of what the farmers thought. The hon. gentleman, perhaps, was not old enough to remember that. In 1940 the Conservatives got three members; in 1945, at the end of the war, they managed to get it up to five when Mr. Bracken was their leader; in 1949, they dropped to four and in 1953 the number went up to six.

Mr. Woolliams: Tell us how many we got in 1958.

Mr. Pickersgill: I do not need to blow the hon. gentleman's horn. However, I point out that these people who can sweep the west can also be swept out of the west, and there is plenty of history to prove it. I suggest it is not only out of the west they are going to be swept.

It seems to me that perhaps we might more profitably be discussing the wheat board in 1962 than this denaturing of history in which the hon. gentleman engaged. His history, of course, is just about as good as his journalism, of which we have also had some recent examples. Having risen, I cannot refrain from reading the first paragraph of the order in council to which the hon. member for Ottawa West referred. I have had some experience with orders in council.

Mr. Bell (Saint John-Albert): You sure have.

Mr. Pickersgill: I was clerk of the privy council at one time, and while I was clerk I reduced the number of orders in council by about 70 per cent. This was not of very great importance, but in a government that was supposed to be devoted to passing orders in council I thought it was a reasonable record. However, in all the time I was clerk of the privy council, which after all was only one year, and in all the time I was a bureaucrat, which was rather longer than that, and all the time I have been a member of this house, I have never read an order in council quite like this one. I should like to think, sir, I was eloquent enough to describe this order in council in the way it would have been described by the hon. member for Prince Albert (Mr. Diefenbaker) if he had been on this side of the house and this order in council had been passed by the previous government.

This is the order in council which guarantees this China wheat sale. The government were scared to come to the house and ask parliament to vote a guarantee as they should have done. They preferred, in a backhanded fashion, to give a guarantee, and let us look at the legal authority for it. I quote:

His Excellency
The Governor General in Council:

His excellency the governor general in council, on the recommendation of the Minister of Finance—

[Mr. Pickersgill.]

This is not done on the recommendation of the Minister of Agriculture, the Minister of Trade and Commerce or any of these other lesser lights, but upon the recommendation of that super guardian of the treasury, 18 hours a day, the Minister of Finance.

—pursuant to the Canadian Wheat Board Act—

He does not even mention the section. He does not dare do that because there is no section which has any relevance to this matter. I suppose it was felt that by mentioning a statute it would give the appearance of statutory authority to this incredible provision, and here it is:

—is pleased hereby to authorize the Minister of Finance (a) to give to the Canadian wheat board an undertaking—

Just listen to this, sir.

—to give to the Canadian wheat board an undertaking that, in the event of any default by the China National Cereals, Oils and Foodstuffs Import and Export Corporation in respect of payments due to the board under contracts for the sale of Canadian wheat and barley made under the long term agreement between the said board and the said corporation, such parliamentary approval as may be necessary will be sought to enable direct reimbursement by the government of Canada to the board of any payments in respect of which the corporation is in default—

Well, talk about contempt of parliament; talk about taking parliament for granted; talk about an arrogant attitude, this is an assumption by hon. gentlemen opposite that they will always occupy the treasury benches, because this is a long term arrangement. What is the undertaking? It is that they will come to parliament and ask for this money; that is the kind of guarantee that they purport to give. It is no wonder it was so difficult to get any of these details out of the government.

Now, the right course to take, as the hon. member for Ottawa West said last night, is to use export credits insurance. Everybody wanted to see this wheat sold. Everybody was glad the wheat board sold it. I do not think everybody was so glad that the Minister of Agriculture, after the contract was signed, wasted public money by flying to Hong Kong and pretending he had signed the contract there. This is the reason, of course, the government keep this date a secret. They do not want the plain fact to be revealed to the public, although it is well known throughout the trade. It is common gossip in Winnipeg, and the government has not dared to deny it because they know it is true. Here is another example of the attempt of this government to give the impression that these ministers do everything that is done by good administrative machinery which has been there all the time.

The wheat board was able to sell wheat to China because the Chinese were starving and had to have it. I am glad, speaking for myself, that starving people are going to be able to eat this wheat. I hope we are going to be paid for it. However, I say there should be some respect for the rights of parliament on the part of hon. gentlemen opposite. They should have insured this sale properly under the export insurance act. If they felt the transaction was too large to come under that act—and I think that might have been a reasonable attitude to take—they should have come to this parliament and told us what they were doing. Then they could have asked parliament to sanction it.

We were reminded yesterday, sir, in very gentle tones that we had a tremendous filibuster, an awful fuss, in this house six years ago because the government of that day sought to lend $80 million, at a good rate of interest and with excellent prospects of recovery, to a company to build an important undertaking which prevented a much more serious recession than would otherwise have been the case in 1958. This was a big parliamentary matter. Here is a guarantee of a sale of $100 million and it is made in this back room manner, behind closed doors. This is the kind of undertaking given to the wheat board, which the wheat board was no doubt obliged to accept and keep quiet about. If there should be a default the government would come to parliament and ask for the money, treating us like rubber stamps.

I say, sir, it is a shocking thing that has been disclosed by the hon. member for Ottawa West. It does seem to me that this bill ought to contain a provision asking parliament to validate this matter instead of leaving it in this extraordinary state. The right hon. gentleman who is head of this government went back and forth across this country from the time he was elected to parliament 22 years ago yesterday until he became prime minister, talking about government by order in council.

This is the first order in council I have seen in my experience that appears to have no legal authority of any kind whatsoever. I am not a lawyer and I may be wrong, but I would be most interested if the Minister of Veterans Affairs or the Minister of Justice will show us the statute which gave authority to the government to give this kind of guarantee and this kind of undertaking without asking parliament for the authority to do it. It seems to me this is the kind of thing against which the right hon. gentleman used to be so eloquent in the past, and it is the kind of thing that should not be tolerated if we are to continue to have parliamentary government.

I am quite sure that distinguished hon. members of the house, like the hon. member for Bow River, will go about saying that the Liberals are opposed to the sale of wheat to China just because we want to know the terms on which it has been sold, but should that kind of lie be spread about in western Canada I do not think anybody will believe it.

Mr. Pascoe: They know it now.

Mr. Pickersgill: That is pretty good evidence of the kind of honest, honourable and straightforward campaign that hon. gentlemen are apparently boasting about carrying out, because they know there has not been one hon. member belonging to any party in this house who has opposed the sale of wheat to China. I do not know of any hon. member who did not welcome the sale of this wheat, and was not indeed very glad that, when there was difficulty about some of our other markets, this market was open and available to us.

Mr. Pascoe: Backtracking.

Mr. Pickersgill: That is no excuse for saying that parliament should not know the terms on which the sale was made and the terms under which it is guaranteed. That is not saying that the government is justified in hiding these things and, when they are exposed, trying by blackmail to prevent a debate.

Mr. Speaker: Order. I think the hon. member is getting his argument back to a decision already taken in this house, in the line he is now taking. I have been very doubtful about the relevance of the whole debate on the guaranteeing of the sale to China because the wheat board act, which it is now proposed to amend, apparently has nothing to do with the guarantee. But, as there was discussion yesterday, I have not been prepared to interfere. However, when he is reopening the debate which resulted in a vote in this house on the production of the contracts, it seems to me he is going beyond the scope allowed.

Mr. Pickersgill: Well, sir, I am quite unaware of having said anything that had to do with any vote in this house. I am discussing this order in council, which was produced in this house as a sessional paper, and I always understood it was perfectly proper for hon. members to do so. At no stage am I aware that any decision was taken in this house about it. That is precisely what I am complaining about, that this guarantee or purported guarantee is nothing more than an undertaking to bring a vote to parliament at some time in the future under certain contingencies. I am complaining that that is an

improper act for the executive to take. It is contemptuous of parliament; it is a presumptuous act, and it deserves the censure of the house as an attempt by the government to usurp the control of finances by the house. I am saying that this bill now before us should contain a provision enabling parliament to determine this matter, and determine it now in the light of all the facts. That is my whole point.

Mr. Argue: And protect wheat board funds.

(Translation):

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I was quite astonished at the remarks made by the hon. members for Lapointe and Drummond-Arthabaska (Messrs. Brassard and Boulanger), and in particular by the latter's attitude, when he condemned the policy of the Canadian wheat board, charging that it causes serious harm to eastern farmers.

I hope the western farmers will remember these remarks made by the hon. member for Drummond-Arthabaska because that is one of the ways that are used to try and divide the farmers of this country.

Mr. Boulanger: As usual, you misunderstood me.

Mr. Pigeon: Mr. Speaker, in order to prove my point, I am prepared to quote part of a speech made by the hon. member for Drummond-Arthabaska last night and, instead of condemning the attitude of the Canadian wheat board—

Mr. Brassard (Lapointe): He did not condemn it.

Mr. Pigeon: —or to criticize—

Mr. Brassard (Lapointe): He did not criticize it.

Mr. Pigeon: Mr. Speaker, I shall quote the remarks made by the hon. member for Drummond-Arthabaska, which appear on page 2197 of the official report for March 26, 1962. I quote:

> Mr. Speaker, I think the grain transportation subsidy policy comes under the Canadian wheat board, at least indirectly. However, what I wish to say is that farmers in the east suffer from the government's policy and from that of the Canadian wheat board.

Mr. Brassard (Lapointe): Is that condemning the Canadian wheat board?

Mr. Pigeon: Surely, because he is blaming the Canadian wheat board.

If the hon. member for Drummond-Arthabaska had been in the house last night—

[Mr. Pickersgill.]

Mr. Boulanger: I was here.

Mr. Pigeon: —when the Minister of Veterans Affairs (Mr. Churchill) moved the legislation now before us in the name of the Minister of Agriculture (Mr. Hamilton), he would have heard him make the following statement, as can be seen on page 2188 of *Hansard*:

> I should like to make a reference to the importance of eastern Canada as our primary commercial market for western feed grains. From time to time problems arise in the supplying of western feed grains for eastern livestock and poultry feeders. In order to bring about a closer liaison and a better understanding of these problems the Minister of Agriculture will shortly be announcing the establishment of a special eastern liaison committee to work with the Canadian wheat board.

Mr. Speaker, it seems to me that such a statement coming from the Minister of Veterans Affairs, who was then acting for the Minister of Agriculture, is very encouraging for eastern producers and will help to bridge a gap which existed under the former administration and which was never corrected.

Mr. Speaker, those are the remarks I wished to make in the interest of eastern producers.

Once again, I must say that the policy of the opposition is to set eastern producers against those in the west. I hope that hon. members from the west will remember the attitude of opposition members and will make it known in their respective ridings during the next election. For my part, I shall make this attitude known to the electors of the province of Quebec.

Mr. Brassard (Lapointe): Mr. Speaker, would the hon. member let me ask him a question?

Mr. Pigeon: Yes.

Mr. Brassard (Lapointe): Mr. Speaker, I should like to ask the hon. member for Joliette-L'Assomption-Montcalm if it would not be better to have an eastern representative on the Canadian wheat board, instead of setting up a liaison agency between eastern farmers and the Canadian wheat board. I feel that it would be much better to have someone who had his say on the board itself, and I should like to know what the hon. member thinks of this suggestion.

Mr. Pigeon: Mr. Speaker, I shall be glad to answer that question.

As the minister explained yesterday, I believe that this special eastern liaison committee will be of great service to eastern producers and will enable them to place their views and their problems before the Canadian wheat board.

I feel that this way of doing things will be better than the do-nothing policy which always existed in the past. It is an improvement—

Mr. Brassard (Lapointe): But we have no representative on the Canadian wheat board.

Mr. Pigeon: It is a remarkable improvement.

Mr. Boulanger: Mr. Chairman—

(Text):

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I think it is only fit and proper that I should rise at this time and join with others who have given the house the benefit of a little of the history behind the development of the wheat board. I do so because I well remember the time when Hon. Robert Weir was minister of agriculture in the Bennett government, and it was during his term of office that the wheat board was developed.

As it happens I served as an economist under Hon. Robert Weir, and about four or five of us were assigned to the job of hammering out the provisions of the wheat board act. If there is anyone who believes in and has supported the wheat board act in this house it is the member for Macleod, but to hear the hon. member for Assiniboia talk one would think he had something to do with its development. I am delighted to hear that he supports it and would be against anyone undermining it. I want to tell him that nothing this government has done has been in the direction of undermining the wheat board. The people of my province and of my riding are solidly behind the policies that have been put into effect since this government came to office, including the marketing of feed grain to feed mills.

In answer to some remarks which were made by the hon. member for Bonavista-Twillingate I wish to say there is no farmer in western Canada who is not fully aware of the Liberal attitude with respect to the sale of wheat to China. If the hon. member thinks that by a twist of his phrases at the present time he can convince the farmers of western Canada that the Liberal party takes a benevolent attitude toward the sales and is in favour of them, he has a bigger job before him than he ever tackled before.

Mr. Pickersgill: May I ask the hon. gentleman a question?

Mr. Kindt: I shall be through in just a minute, and then the hon. member can ask his question. If there is any farmer in western Canada who would vote against this government and in favour of a Liberal government, it would serve him right if he had to put up with a Liberal government in the west.

Mr. Pickersgill: The hon. member indicated I might ask a question at this point. Can he give me evidence of any statement made by any Liberal member in this house speaking for the Liberal party to justify his assertion that the party opposes the sale of wheat to China?

Mr. Kindt: In order to answer that question I would have to go back over the records and documents.

Mr. Pigeon: Surely it can be shown by their remarks each day.

Mr. Kindt: However, I should like to read this into the record—

Mr. Pickersgill: What is that from?

Mr. Kindt: It is from the Ottawa *Citizen* of March 3, 1962, and it reads as follows:

> In a particularly damning attack on the Prime Minister, Mr. Tardif said Mr. Diefenbaker had thought he was "God-sent" before being elected and subsequently decided he was God's equal and, now, God's superior.

Mr. Speaker: Order. The hon. member is precluded by our practice from reading—

Mr. Kindt: Well, I should like, if I might be allowed—

Mr. Speaker: Perhaps the hon. member would resume his seat. I will explain to him the difficulty which I feel arises from what he is saying. It is neither customary nor proper to read editorials which reflect on the conduct of hon. members of the house. This editorial seems to reflect on the hon. member for Russell (Mr. Tardif). I am not sure if it is criticism of what he did in the house or not. If the comment refers to something the hon. member said outside the house perhaps it would be admissible, though it does not seem to me to be relevant to the debate.

Mr. Pickersgill: Perhaps I might say a word on the question Your Honour has raised. It might simplify the matter. I asked the hon. member to cite, if he could, a single statement made in this house by any member of the Liberal party that went into *Hansard*, and there is none.

Mr. Kindt: I should like to answer the hon. member for Bonavista-Twillingate. I am looking at this for the first time—

Mr. Argue: Where did you get it?

Mr. Kindt: —and I was having trouble finding the spot. I have it now and to continue:

He accused the Conservative government of favouring the western farmer in its agricultural legislation and referred specifically to the wheat deal with China.

That is the hon. member for Burin-Burgeo (Mr. Carter).

Mr. Pickersgill: What does that amount to? How ridiculous can you get?

Mr. Speaker: Is the house ready for the question? If the minister speaks now he will wind up the debate.

Hon. Gordon Churchill (Minister of Veterans Affairs): I have listened with interest to the debate so far, and I have heard with some amazement statements made by hon. members in the ranks of the Liberal opposition. Despite some of these statements, I find that generally the house is in favour of passing this legislation.

Unfortunately the debate has ranged far afield without reference, at times, to the bill which is actually before us. If I am to answer some of the questions which have been put forward I shall not be able to relate my answers specifically to the bill, either. However, the hon. member for Ottawa West began with a question as to a change in the ministry which might, of course, have been better directed to the Prime Minister. It is not up to me to answer questions of that nature.

Mr. McIlraith: He does not give any answers, though.

An hon. Member: He is too wise.

Mr. Churchill: The hon. member then began to talk about the wheat sale to China, and other members of his party have dealt with the same subject. With loud protestations they put their hands over their hearts and say they are all in favour of the wheat sale to China, but nothing has disturbed them more than that magnificent action on the part of the Minister of Agriculture and the wheat board in bringing about a sale far beyond anything which has been made in the past, a sale which has lifted a burden of surpluses from the western farmers and put us in a position with regard to our wheat which is completely different from that which existed several years ago.

I recounted yesterday when I was introducing the bill the great change which had taken place in five years, during which period we have moved from a surplus position of 730 million bushels in July, 1957, with a new crop just around the corner, to a position today when the surplus is less than our average exports during the last few years, in other words a surplus of some 300 million bushels. This represents a tremendous change in the space of five years and the sale to China has capped it.

The Liberal party have protested time and again that they are all in favour of the wheat sale to China. Nevertheless they spend most of their time criticizing it. They say oh, yes, it is a great thing to sell this wheat, but you have done it in the wrong way. This is a very narrow method of criticism, and it is very shakily founded. The hon. member for Ottawa West, supported today by the hon. member for Bonavista-Twillingate, has criticized the method by which the wheat board has been given a guarantee with regard to its transactions with the China buying corporation. They are protesting vigorously that this arrangement represents some affront to parliament, and so on.

The complaint rests upon an interpretation of section 11 of the wheat board act, and it would perhaps better be left to the law officers of the crown to settle that matter than for us to attempt to settle it here. I do not find any difficulty as I read those sections in considering them to be adequate for the purpose for which they are intended. The wheat board is guaranteed against loss if the representatives of the Chinese government fail to make payment. Although they are very fond of the China wheat sale, as the debate progressed members of the Liberal party gave me the impression they would like to see a default in the payment. In fact over the last several weeks rumours have been started to the effect that China is already in default, and questions in that regard have been asked in the house. Only last week end another rumour was started that China was in default. The situation, of course, is that the payments are right up to date, and for the months of February and March payments have been made totalling almost $11 million.

Mr. Pickersgill: Good.

Mr. Churchill: There is no comfort at all for the Liberal party in this. We consider the deal to be satisfactory. This is not the first time there has been a sale of wheat to China. Memories are a bit short, but in the year 1958 ten cargoes of wheat were sold to China. That sale happened to be on a cash basis. The wheat board was active then with the assistance of Mr. Forsyth-Smith of the Department of Trade and Commerce who was stationed at Hong Kong, in the arrangements for the sale of wheat to China. That original contract away back in 1958 paid off in 1961 because the contacts with the merchandisers had been made and the wheat board with

its usual alertness and activity had kept closely in touch with the situation in China.

The hon. member for Ottawa West has accused the Minister of Agriculture of using the wheat sale to China for propaganda purposes. Surely there is nothing wrong in letting people know about a wheat sale of that size.

Mr. McIlraith: That was not the accusation.

Mr. Churchill: It is unprecedented in recent years, and it is only good business to let people know what is going on. It has certainly been of great encouragement to everyone in western Canada; and although the hon. member for Ottawa West in the rather narrow circle that prevails here in Ottawa may not think it is important, no one in western Canada holds that opinion.

The hon. member for Ottawa West also mentioned certain details of the act which perhaps might best be considered when we study it in committee. The hon. gentleman continued his protests with regard to an alleged failure to disclose various aspects of the agreement with China. However, he had to admit in fairness that it would be quite wrong for the Canadian wheat board, engaged in competitive selling around the world, to disclose the nature of its contracts, because if it did that advantage might be taken of the situation by other countries that have wheat for sale. It has been the practice over the years for the wheat board to do as any prudent business concern would do, to keep secret the terms and details of its contracts.

The hon. member for Timiskaming in the course of his remarks said the credit for the China wheat sale should go to the wheat board and not the government. In the three and a half years I had the pleasure and useful experience of working with the wheat board I always gave credit to that organization, and so has the present Minister of Agriculture. But I suggest to the hon. gentleman that some credit should go to the government because when trouble arises the government receives the blame, and surely it must work both ways.

I recall that when I had responsibility in this field I was constantly under fire in the house from hon. members opposite with regard to such question as the box car situation, the quota situation out in the prairies, the shipping situation at the lakehead, whether the icebreakers were in operation opening the harbour at Fort William, whether demurrage should or should not be charged on railway cars which had wheat stored in them at the lakehead, what was the government going to do about wet and damp grain and how were we going to get it dry, and things of that nature. When trouble hits the western agriculturist the government hears about it immediately, and hon. gentlemen on the other side have always been the first to lodge complaints. Therefore I think it is only fair, when things are going fairly well, that the government might reasonably accept some share of the praise for those conditions.

Mr. Pickersgill: Before the minister leaves his reminiscences, would he permit me to ask him a question? Has the minister yet found out which end of a box car is the front end?

An hon. Member: We are leaving that to you.

Mr. Churchill: As one historian to another may I say I did investigate that matter very closely, and there is a very slight difference which perhaps I will tell the hon. member about privately, as I am sure His Honour would interrupt us if we were to engage in a discussion of that subject now.

Mr. Pickersgill: Yes. The brake is at one end.

Mr. Churchill: The hon. members for Drummond-Arthabaska and Lapointe made contributions to this debate. In fact on the other side of the house we have agricultural spokesmen in the hon. member for Essex East who is, of course, the leader of the pack—although now the hon. member for Ottawa West has entered it—and in the hon. member for Bonavista-Twillingate, on whom we can always count to talk on any subject that may be disclosed here.

Mr. Brunsden: Whether or not he knows anything about it.

Mr. Churchill: That no doubt stems from the hon. gentleman's reminiscences of the days when he was clerk of the privy council. As I said, we also had contributions from the hon. members for Drummond-Arthabaska and Lapointe. And then, buried in the group over there, we heard from the hon. member for Assiniboia. That hon. gentleman was at least fourth on the list of agricultural spokesmen for the Liberal party. Quite a change has taken place in his position in parliament, and the ear of the country is not attuned to his discourses as perhaps it was in days gone by.

Mr. McIlraith: Would the minister permit a question? Would he not agree that this legislation has to do with wheat marketing?

Mr. Churchill: I wish, Mr. Speaker, that the hon. member for Ottawa West had reached that conclusion yesterday.

Mr. Pickersgill: That is what we were trying to talk about, not typographical errors.

Mr. Churchill: The hon. member for Assiniboia is interested in wheat marketing, or at least he has conveyed that impression over the years, and he spoke about that today. He engaged in a severe attack on the Conservative party and on the present government. He made a serious accusation in saying that this government is undermining the authority of the wheat board. Fortunately an answer has already been given to that accusation, but I should like to reinforce what has been said by hon. members on this side of the house in that regard.

Rather than attacking the wheat board or undermining its position, the present government has done its utmost to strengthen the position of the wheat board. We have repeatedly praised the activity of the board and given it every assistance possible within our means.

I rely upon the record of the Conservative party, which came to the rescue of western wheat producers in the autumn of 1930. The Liberal government of 1929 and 1930 had neglected the wheat producers, and the wheat pools were in difficulty. The government of that day had left it to the provincial governments to support the wheat pools. Finally the Conservative government under R. B. Bennett came to their rescue and guaranteed loans from the banks, and subsequently went on to stabilize the situation and develop the Canadian wheat board.

Hence our record is quite clear and quite good with regard to the Canadian wheat board, and it has been maintained up to the present time. The wheat board gets the full support of the present government.

However, the hon. member for Assiniboia felt called upon to reiterate a charge he has made in the past with regard to the Canadian wheat board. I suggest to him that he is going to have much more difficulty in the group with which he now finds himself than he ever had in the past, for this reason. Although in the days of the late Mr. Gardiner and the late Mr. Howe the wheat board was free from serious restraint, that is not going to be the case in the future. If the hon. member for Assiniboia, according to speculation which I read in the press yesterday, becomes minister of agriculture he will find himself in immediate conflict with the proposed minister of finance, namely Mr. Walter Gordon—

Mr. McIlraith: Repudiated by the former minister of trade and commerce.

Mr. Churchill: —who is now one of the main advisers to the present Liberal party and whose attitude toward the western prairie producer and the Canadian wheat board is shocking, to say the least. The hon. member for Assiniboia is going to have the greatest fight of his life to maintain the authority of the Canadian wheat board within the group with which he has now associated himself. I wish he had asked my advice before he took the hasty step he took a little while ago.

An hon. Member: He is going to be sick.

Mr. Churchill: In commenting upon Mr. Gordon's report Mr. Howe said this:

> If any hon member wishes to be recorded in support of the recommendations of the Gordon commission I hope that he will rise in his place and state his position clearly and unequivocally. The underlying theme of the Gordon report on wheat is "restriction". The report returns time and again to the theme that the producer must be confronted with a limitation under which he will make whatever adjustments he can. This conception is directly opposed to the present government policy, which is to establish fair initial prices, provide the largest possible delivery opportunity for producers and to assist by paying carrying charges on abnormal surplus stocks of wheat until markets can be found.

That statement can be located at page 891 of *Hansard* for February 1, 1957. I suggest to all hon. members from western Canada that they read, reflect and repeat those remarks of Mr. Howe with regard to Mr. Walter Gordon, who is going to determine matters through the position which the speculative press has suggested for him if the Liberal party ever gets back into power again—something which I doubt—and who is going to be in a position to control people like the hon. member for Assiniboia; and he will have his effect on the western farmer. He had no conception of the situation, as Mr. Howe pointed out. Mr. Howe said this:

> Strangely enough, many people living in other parts of Canada who write and talk about the marketing of wheat obviously do not understand the detail of present methods of marketing Canadian wheat. It is to them that my explanation is directed.

He directed it right to Mr. Walter Gordon, who in the Gordon commission report indicated his complete misunderstanding of the Canadian wheat problem. I now suggest that the hon. member for Assiniboia has more work cut out for him in the Liberal party than he ever had with the defunct C.C.F. party. He had better now become a labour representative in the Liberal party rather than a farmer representative, as I do not know how he is going to make his policies prevail against the attitude of Mr. Walter Gordon toward the western grain problems.

Mr. Pickersgill: Would the minister also like to say something about Mr. Mitchell Sharp's views on grain marketing?

Mr. Churchill: No. However, at this stage I wish to comment upon the slashing attack

made by the hon. member for Bonavista-Twillingate upon the present Clerk of the Privy Council. The hon. member for Bonavista-Twillingate told us at some length of his tenure of that office and of the number of orders in council he had produced. He implied that they were all perfect. Then he said "This order in council is the worst I have ever seen". I presume he meant that the present Clerk of the Privy Council is the worst Clerk of the Privy Council he has ever heard of.

An hon. Member: This is out of order.

Mr. Churchill: If the former clerk of the privy council was the producer of orders in council, it follows that the present clerk is the producer of orders in council.

Mr. Crestohl: I rise on a point of order, Mr. Speaker. We are now discussing the question of wheat and not procedure before the privy council. I see no reason why the minister should swing his line of argument to the privy council when we are discussing the question of wheat.

Mr. Churchill: Mr. Speaker, I am glad—

Mr. Speaker: I do not think the hon. member's point is well taken. The issue was raised first by the hon. member for Ottawa West at some length yesterday, and reinforced today by the hon. member for Bonavista-Twillingate.

Mr. Pickersgill: Let the minister proceed. The hon. member can at the end of the minister's speech, exercise his rights with regard to correcting statements.

Mr. Churchill: I think perhaps with these few remarks on that narrow subject, the hon. member for Bonavista-Twillingate will spare us in the future with regard to his personal history.

Mr. Pickersgill: Don't be too sure.

Mr. Churchill: Useful comments on the bill before us were made by the hon. member for Bow River, the hon. member for Macleod, the hon. member for Joliette-L'Assomption-Montcalm, and the hon. member for Humboldt-Melfort-Tisdale, who is an acknowledged authority on wheat problems and a friend of the farmer. The problem which he raised with us yesterday is one that I think we shall deal with at the committee stage. I shall have some comments to make at that stage on his proposal of a further amendment to the act.

Quite generally, Mr. Speaker, may I say that we bring forward the present amendments to the Canadian Wheat Board Act with confidence that the house will pass them and that the Canadian wheat board will continue its useful course of action with regard to western Canadian agriculture. To those from eastern Canada who are so greatly concerned may I say that the Canadian wheat board represents the producers of that great wealth of western Canada which runs into hundreds of millions of dollars every year. Through the useful suggestion made by the Minister of Agriculture the eastern farmers, I think through a liaison committee, will be able to present their views to the Canadian wheat board with good results. However, I do not follow their argument that someone from eastern Canada should be a member of the Canadian wheat board, for the Canadian wheat board is a sellers' organization engaged as an agent on behalf of western producers.

The Canadian wheat board has had a long and useful history. In the marketing of western grain there is as great stability as I think can be achieved under world conditions. I think it is wise to look at the western grain problem, and particularly the wheat problem, not over a period of one year or two years but over a ten year period. In the course of that time it is possible to pass from a surplus position to a period of relative scarcity and then back again into a surplus position. However, we have now had a great deal of experience in the handling of western grain with regard to storage matters, marketing procedures and things of that nature. Through measures which this government has introduced with regard to cash advances on farm stored grain and the constant activity with regard to the selling of our grain in world markets, I think we have achieved, in so far as western agriculture is concerned, a very satisfactory situation at the present time. The amendment to the act now proposed will continue the wheat board in existence and it will be appropriate to review its activities five years hence.

Mr. Pickersgill: Mr. Speaker, I should like to exercise my right under the rules to correct a gross misstatement made by the minister with regard to something I was supposed to have said. The minister said I had made an attack upon the Clerk of the Privy Council. I did nothing of the kind even by implication. I assume that the present Clerk of the Privy Council, like me, does not make the orders. The orders are made by the governor in council and the ministers are exclusively responsible for their content.

Mr. Churchill: The ministers take full responsibility, but I do recall to your mind, Mr. Speaker, that the hon. member for Bonavista-Twillingate talked about the orders in council which he had produced and said, "Look at this; it is the worst example I have seen in my career".

Mr. Pickersgill: I did not say "produced", sir.

Division

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Pickersgill: Would you call the yeas and nays?

Mr. Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay. 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. Churchill, for Mr. Hamilton, Qu'Appelle) which was agreed to on the following division:

YEAS

Messrs:

Aitken, Miss
Argue
Badanai
Balcer
Baldwin
Barrington
Baskin
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Benidickson
Bigg
Boivin
Boulanger
Bourque
Brassard (Chicoutimi)
Broome
Browne (St. John's West)
Brunsden
Cadieu
Campbell (Lambton-Kent)
Cardin
Caron
Carter
Chambers
Charlton
Chatterton
Chevrier
Churchill
Clermont
Coates
Cooper
Creaghan
Crestohl
Crouse
Denis
Deschatelets
Diefenbaker
Dinsdale
Dorion
Doucett
Dumas
Dupuis
English
Eudes
Fairclough, Mrs.
Fane
Fisher
Fleming (Eglinton)
Flynn
Forbes
Forgie
Fournier
Fulton
Garland
Grafftey
Granger
Grenier
Grills
Gundlock
Habel
Halpenny
Hamilton (Notre Dame de Grace)
Harkness
Henderson
Herridge
Hodgson
Horner (The Battlefords)
Howe
Jorgenson
Jung
Keays
Kennedy
Kindt
Knowles
Kucherepa
Lahaye
LaMarsh, Miss
Latour
Leduc
Legere
Lennard
Lessard
Letourneau
Loiselle
Macdonald, Mrs.
MacEwan
MacLean (Queens)
Macquarrie
MacRae
McBain
McCleave
McFarlane
McGrath
McIlraith
McMillan
McPhillips
McQuillan
McWilliam
Mandziuk
Martin (Timmins)
Martini
Matheson
Matthews
Milligan
Mitchell
Monteith (Perth)
Monteith (Verdun)
Montgomery
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nesbitt
Nielsen
Noble
Nowlan
Nugent
O'Hurley
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Paul
Payne
Pearson
Peters
Phillips
Pickersgill
Pigeon
Pratt
Racine
Rapp
Regier
Regnier
Ricard
Richard (Kamouraska)
Richard (St. Maurice-Lafleche)
Roberge
Robichaud
Robinson
Rogers
Rompre
Rouleau
Rynard
Skoreyko
Small
Smallwood
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Spencer
Stefanson
Stewart
Tardif
Thomas
Thrasher
Tucker
Villeneuve
Vivian
Webb
Webster
Weichel
White
Winch
Winkler
Woolliams
Wratten—173.

NAYS

Nil.

Mr. Speaker: I declare the motion carried.

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

On clause 1—*Grain.*

Mr. Argue: I would like to say a few words on this clause and move an amendment to it. There is an addition to this clause in paragraph (e) which adds rapeseed to the list of grains defined under the wheat board act.

This is an important addition to the act. It is the kind of provision which would enable the wheat board to provide quota systems for rapeseed, as for other grains, in the instance of a very heavy production and the necessity of marketing this grain in an orderly fashion. As the hon. member for Humboldt-Melfort-Tisdale has pointed out, there is a further grain which is becoming of greater importance in western Canada. That is mustard seed and some time ago, when debating a bill which he had before the house, it was my privilege to suggest that in addition to rapeseed certain provision should be made to include mustard seed.

It is perfectly true that including mustard seed under this legislation would not by itself go the whole way, because there is also the necessity to have the grain defined in the Canada Grain Act. There is also the

question of having the Crowsnest rates apply to rapeseed and mustard seed, but I think it would be an appropriate step to add mustard seed under the provisions of this bill at this time. Perhaps I can move the amendment before five o'clock. I have some other general questions which I wish to put to the minister on this clause, but right now I would like to move:

That paragraph (e) of clause 1 be amended by deleting the word "and" as well as the semi-colon in line eight and adding the following words: "and mustard seed".

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

Mr. Churchill: No, Mr. Chairman. The subject matter of this proposed amendment was raised yesterday by the hon. member for Humboldt-Melfort-Tisdale who has—

The Deputy Chairman: Order. Before the minister proceeds I have some doubt as to whether or not this amendment is in order. Perhaps the minister might comment on that aspect of it in the initial stages before we consider it as an amendment.

Mr. Churchill: Well, Mr. Chairman, I also wanted to have a little time to think it over. I thought that if I gave some of the background material now, it would soon be five o'clock and we would both have a chance to consider it.

Mr. Argue: The minister might like to move it himself.

Mr. Churchill: It would be far better coming from this side. Originally, of course, it was proposed by a Conservative member.

Mr. Argue: That is not right. I have been on mustard seed for a long time.

Mr. Monteith (Perth): You have been on a hot seat.

Mr. Argue: Others prefer rapeseed.

Mr. Churchill: As a matter of fact, Mr. Chairman, the present amendment which includes rapeseed under the definition of grain is due very largely to the initiative of the hon. member for Humboldt-Melfort-Tisdale, who is known throughout the west as "the farmers' friend," and he had hoped that on this occasion we might include the words "mustard seed". However it is important to consider what we are doing, and to consider the size of the crops that are produced before we take any action.

Mr. Pickersgill: I wonder if I could raise a point of order in a non-controversial spirit. It does seem to me that we should settle the point of order before engaging in debate. As it is practically five o'clock and as Your Honour might wish to give this a little consideration, perhaps Your Honour could tell us what is troubling you about the amendment so that we would have a chance to reflect on it between five and eight o'clock.

Mr. McIlraith: It is in order.

Mr. Pickersgill: We would like to know what the difficulty is. Could Your Honour indicate what is the difficulty?

The Deputy Chairman: In my view it introduces a completely new subject matter to the bill and if you look at *Orders of the Day*, page 15, item No. 37, you can appreciate the fact, as does the chairman, that the suggested amendment is already under consideration by way of a private member's bill. For this reason I shall give consideration to the matter over the period of the supper hour and make a ruling on it at eight o'clock.

Mr. Pickersgill: I assume Your Honour will hear argument before making it.

The Deputy Chairman: For the reason that it is five o'clock I am not going to hear argument now.

It being five o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business, pursuant to section 3 of standing order 15.

Clause stands.

Progress reported.

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

PRIVATE BILLS

SECOND READINGS

Bill No. S-13, to incorporate Polaris Pipe Lines—Mr. Baldwin.

Bill No. S-14, respecting Canada Security Assurance Company—Mr. Stefanson.

THE GOVERNING COUNCILS OF THE SALVATION ARMY

Mr. Jack Wratten (Brantford) moved the second reading of Bill No. S-11 respecting the governing council of the Salvation Army, Canada east, and the governing council of the Salvation Army, Canada west.

Mr. Fisher: I wonder if the hon. member intends to make any remarks on this bill.

Mr. Wratten: There are two main points. The first is intended to bring the financial arrangements of the Salvation Army into line with those provided for in bills already

passed by this house affecting other religious denominations. The second purpose is to bring the province of Newfoundland under the jurisdiction of the Salvation Army board, Canada east.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to say a word in warm commendation of this bill. This is one of the things that are ancillary to the completion of confederation—to the union of Newfoundland with Canada in 1949—and I give it my warm support.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

BRITISH NORTH AMERICA ACT

AMENDMENT RESPECTING SENATE REPRESENTATION

Mr. Erik Nielsen (Yukon) moved the second reading of Bill No. C-28 to amend the British North America Acts, 1867 to 1960, with respect to representation in the Senate.

Mr. Speaker: Before calling on the hon. member who moves the bill, may I remind the house that the last time this bill was called I raised the question as to whether it might be a money bill requiring a resolution and the authority of the ministry before it could be proceeded with. I have come to the conclusion, subject to such persuasion as may be exercised by hon. members who wish to discuss the point, that it is not clearly enough a money bill for me to take the responsibility of preventing debate. I am therefore disposed to allow the mover to proceed, unless some hon. member wishes to object to that course and persuades me it is not the right course.

I think I should state briefly what considerations arise, because it is not without importance. Bill No. C-28 provides for an amendment to sections 21 and 22 of the British North America Act so as to increase the number of senators from 102, the present number, to 104. In other words, the bill provides for the addition of two senators to the Senate. Now the consequence of passing this bill would be that those senators, under the provisions of the Senate and House of Commons Act, chapter 249 of the Revised Statutes of Canada, 1952, would become entitled to compensation as senators and would be paid accordingly. So an indirect consequence of passing this bill would be to expend from the public purse the emoluments which are payable under another act to the two additional senators, after they have been appointed. The consequence of passing the bill would, therefore, be an expenditure of public funds.

However, I rather take the view that the expenditure of public funds is already authorized by the Senate and House of Commons Act which provides for the payment of senators apparently in anticipation of the appointment of additional senators as well as of additional members of parliament. So authority for payment has already been given by parliament. It was given when it passed the Senate and House of Commons Act; and this bill, which does not in itself provide for any payment, might therefore be regarded as not being a money bill, even though it sets in motion the other act and would, therefore, involve expenditure.

There is one precedent, and it is on the basis of this precedent that I propose to allow the matter to proceed. There is the Representation Act, chapter 15 of the statutes of 1952 called an Act to amend the British North America Acts, 1867 to 1951, with respect to the readjustment of representation in the House of Commons. This was introduced as Bill No. 221 on June 10, 1952. It was introduced without notice. It was not preceded by resolution, nor did it have the recommendation of the crown, although as a result of the bill the number of members of the House of Commons was increased from 255 to 265 and an additional member was provided for the Northwest Territories. In that case the house proceeded to increase the number of members of parliament and thereby to increase the emoluments to which members were entitled. It seems the cases are parallel. It is the only precedent and, therefore, I think the proper course would be to register this query about the bill so that it will not stand in the way of future decisions, but not to press the point to the extent that debate would be discontinued.

I am reinforced in my view by thinking that one should settle these matters giving the benefit of the doubt to the authority of a private member of the house to proceed to raise such matters as he thinks may properly be brought before parliament, not by ruling in a restrictive way.

Mr. Fisher: Perhaps I could raise this as a point of order—I was just wondering if the government has any view on the matter you have raised.

Mr. Churchill: It certainly would not be normal to express government policies or views during an hour which is devoted to private members' business.

Mr. Nielsen: I hope the house will be as disposed to the acceptance of this bill as it was to the acceptance of the measure which I introduced a short while ago in connection with representation for the Keewatin and Franklin districts. The same reasons are applicable in support of representation in the other place for these areas of northern Canada,

perhaps to an even greater extent because we are dealing here with all that land mass and all those Arctic islands north of the 60th parallel, whose residents at the moment have no specific representation in the other place.

With the passage of the bill dealing with the extension of the franchise, or, rather, the facilities enabling Canadian citizens living in the Keewatin and Franklin districts to cast their ballots, no other Canadians remain in our nation who do not now have the opportunity to cast their votes and, by so doing, take part in the government of Canada. I gave as supporting reasons in favour of that bill that the citizens of Canada should not be taxed without having the opportunity of being heard in the parliament of Canada. I think it is trite to say that the parliament of Canada consists of two houses, this House of Commons as well as the other place. Matters concerning taxation are discussed here and laws concerning the taxation of Canadians are made in this chamber; but before their final passage they are considered, accepted, rejected or amended by the members of the other place. Surely, then, the Canadians of the north should be entitled to be heard on these matters in the other place.

It seems to me it is important to recognize the fundamental right that in a free and democratic society such as ours in Canada every adult Canadian is by law clothed with the right to take part in government. I advanced this argument in discussing the amendment to the Representation Act which I brought before the house a few weeks ago and I advance it again. The people of Canada in all parts of the country have a right to take part in their government and in my view the government of Canada consists of both houses of parliament.

This principle was embodied in the four kinds of rights to which I drew the attention of the house when I last spoke on my bill to amend the Representation Act, the rights expressed in the principles to which the United Nations dedicated itself in the universal declaration of human rights in 1948, a declaration which grew out of the public demand for recognition of the advancement of equal rights among all members of the human family.

In support of my argument that all Canadians have the right to be represented in both houses of parliament I would draw the attention of the house to the British North America Act of 1886 which is to be found in the Revised Statutes of Canada, volume 6, at page 159 where, after the preamble, it is set forth in section 1 that:

> The parliament of Canada may from time to time make provision for the representation in the Senate and House of Commons of Canada, or in either of them, of any territories which for the time being form part of the dominion of Canada, but are not included in any province thereof.

In section 2 of the same act it is set forth that:

> Any act passed by the parliament of Canada before the passing of this act for the purpose mentioned in this act shall, if not disallowed by the Queen, be, and shall be deemed to have been, valid and effectual from the date at which it received the assent, in Her Majesty's name, of the Governor General of Canada.

The act goes on to discuss the making of provisions for adding to the membership of the House of Commons and the other place. In effect, the act gives us the right to amend our own constitution as found in the British North America Act in so far as such an amendment may effect an addition to the House of Commons or to the Senate.

The second point I made in discussing my argument in support of extending the facilities of the franchise to the residents of the Keewatin and Franklin districts of the Northwest Territories was in relation to the Canadian Bill of Rights. I think it is of paramount importance, and I am sure all hon. members of the house will agree with me, that the Canadian Bill of Rights affords its protection to all Canadians regardless of their race, colour, creed or religion, and that essential protection is that there shall be no discrimination as between Canadians. It seems we fall short of the principle expressed in the Canadian Bill of Rights if we continue to refuse to grant to northern Canadians above the sixtieth parallel the right to have a voice in the other half of the Canadian parliament.

There are other and valid reasons for the house giving favourable consideration to this measure. I realize that the bill comes before us at a rather awkward time since there is a resolution on the order paper calling for the setting up of an independent commission to inquire into the redistribution of seats in this house. It might be one of the terms of reference of that commission that they may be called upon to look into the desirability of redistribution in the other place as well; of this I am not aware.

Another argument I would advance in support of the house adopting this measure is the developing autonomy of both the Yukon and the Northwest Territories. I wish to deal with those two territories for a brief moment.

In the Yukon territory we have a long history of the development of autonomy and we are rapidly approaching the point where we can see in the near future the possibility that the Yukon might become Canada's eleventh province. Certainly there is every reason for anticipating this development. It would seem incongruous in the light

of the development there and the increasing population and industry that we should continue to turn a blind eye to the fact that the area is without representation in the Senate. The Yukon has had a sitting member in the House of Commons since 1902 after the Yukon was created a separate district, having been carved out of the Northwest Territories in 1901. In the Northwest Territories, the Mackenzie district has had a sitting member since the amendment of the Representation Act in 1947. As hon. members will recall the first sitting member for that district came to this house in 1949. We are slowly progressing toward the development of the political autonomy of the north and it seems to me the next logical step that should be taken by this House of Commons and by the Senate is to provide a voice for the people of the north in the other place.

Canada above the sixtieth parallel constitutes 40 per cent of the nation. I do not think the argument rests on the number of people in that area. It is a particular area, an Arctic area, and it has special problems. Those problems have to be voiced in as wide a fashion as possible in both places. I think it is not unreasonable to suggest that since the appointment has been made to the other place of a member of the Indian race we might anticipate the appointment to the Senate of an Eskimo to voice the views of those people who number approximately 10,000 in the Canadian north.

There may be those who say that in the development of this trend toward the greater autonomy of the north the federal government largely subsidizes the areas, and therefore we as the House of Commons should continue administering those areas until such time as the population and industry of the Canadian north reach the stage where autonomy is economically justifiable. I would simply refer those hon. members who take that view to the province of Manitoba in the years immediately before it became a province, when the local territorial government was heavily subsidized by the federal government and yet the province achieved autonomy while in the position of being so subsidized.

Of course there is the classic current example of Newfoundland, which is now heavily subsidized by federal funds. I think I should not leave the presentation of this bill without also remarking on the recent resolution passed by the Northwest Territories council when they met here last January. It suggested that from the existing three administrative divisions in the Northwest Territories we should carve out two new Canadian areas. The present area of the Northwest Territories is one third of the whole of Canada, to put the matter in another form. On the northeast it snuggles right against Greenland and on the west it is flanked by the Yukon. At one point it is a mere 100 miles from Alaska. It is true that there are only 23,000 people in this vast expanse of the Northwest Territories. However, the council, when it met here last spring, began dividing the territories into two pieces. That was a logical move, in my view, and one which I think lays the groundwork for suggesting to this house in the near future that, once the division is made, it might be the time for introducing a measure which would give both the western and the eastern portion of the Northwest Territories a member in this house.

There are other arguments that can be advanced in support of the measure before the house. When one agrees to the principle that Canadians have a right to be represented in the Canadian parliament, I feel that the house would be remiss if it did not accept the principle that it does not restrict the representation spoken of to a right to be heard in the House of Commons. I contend that this right embraces also the right to be heard in the other place, where every piece of legislation passed by this house must be considered. Certainly the voice of the north cannot be heard in its entirety if, with respect to the opinions and views of the Canadian people who live in the north and who are pioneering the area above the sixtieth parallel, we restrict that right to one chamber, namely this House of Commons.

I believe there are others who wish to speak on the principle of the bill, Mr. Speaker. With the simple urging to the members of the house to lend support to this measure I will now take my seat in order that those others might be heard.

Mr. Peters: Question.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to commend the hon. member for Yukon (Mr. Nielsen) for bringing to the attention of the house what obviously has been an important defect in our system of government. I refer to the fact that a substantial number of people have been without complete representation. That is something without which no democratic country is altogether perfect. He has obviously made a careful study of the matter. His research, references to the law and historical analysis of the situation have been well presented and indicate that this is a subject to which he has devoted a good deal of time and attention. I hope that in due course this particular bill will go to join the ever growing number of private bills which members, particularly on this side of the house—and I say this without intending to introduce any partisan

note—have been bringing forward with such emphasis and such force that they have been able to commend themselves to the government and in due course have received the approval of the government and have become part of the law of this country.

I do not wish to traverse many of the points which have been dealt with over the past several years in connection with the north, its needs and requirements. I have a sympathetic feeling toward the principle involved in this bill. I represent a constituency which in size is more than a third of that of the province of Alberta. I know what it is like to be obliged to travel substantial distances. I know what it is like to be obliged to meet with a variety of problems of a number of people scattered over a great distance. That is one of the problems which beset the Yukon and the Northwest Territories at this particular time.

I know that the hon. member for Yukon is a member of the same profession as that to which I have the honour to belong. I know what is involved for him in representing at this particular time, when it is in the midst of its growing pains this tremendous area of the Yukon which will in due course, I believe, evolve into a greater, far more populous and much more economically prosperous region.

I can enumerate many of these problems and I do so because I think they have a bearing on the particular issue which the hon. member has raised. The hon. member referred to his hope that if this bill should in due course be approved and become part of our law and if a new senator was to be appointed, such senator might be a person of the Eskimo race. I heartily approve and second that proposition. I know many of the Eskimo people. I have travelled a good deal in the north. The Eskimos are fine people. They are now at a difficult period in their development from a simple nomadic race. Coming in contact in recent years with white people, white settlements and white industrial development they have discovered the problems which under those circumstances they are bound to experience. I think it would be a splendid idea to see in the other place a member of the Eskimo race, someone to speak for them, to tell of their problems and of the difficulties which they have experienced in the past and are bound to experience over the new generation. I think of the Indians. While we have, of course, legislation to some extent dealing with them, those who live in the Northwest Territories and in the Yukon have particular and special problems of their own over and above the difficulties of the Indians in the other parts of Canada. I think of the economic changes which are now approaching in the Northwest Territories and in the Yukon. I say all these things, Mr. Speaker, because I think they bear strictly on the problem for which I believe this bill will provide the cure.

I stop here to emphasize that there should be that additional representation in the parliament of Canada to which that particular part of our country is entitled. I know that the hon. member for Yukon has a great task to perform and he is performing it ably and adequately. I was well acquainted with the late member for Mackenzie River. I visited Yellowknife and district for several days last summer and had the privilege of meeting him and talking to him there on his return from an extended trip which he had made with his family into the vast hinterland of his constituency, an exhausting and demanding task even for one in the best of health. As I listened to the hon. member for Yukon speak it struck me that there should be additional assistance in the form of senatorial representation at this time to deal with all the problems that arise.

Great things are about to happen in the north country and I say that generally, not wishing to precipitate any particular issue at this time. Within the existing limits of the British North America Act and our own laws we have done certain things. We have provided a judiciary for the Yukon and Northwest Territories. We have provided the incipient beginnings of representative government by means of a territorial council both in the Northwest Territories and in the Yukon. But we must look ahead to the time, in the not too distant future, when there may be additional political units in the form of provinces to add to the 10 we already have in Canada. This matter has been referred to by the Minister of Northern Affairs and National Resources from time to time, as well as by other members of the house. I know that at the present time the population is not large but I believe I am correct when I call the attention of hon. members to the fact that as a result of the last census it now appears that the rate of population growth has been greater in the Northwest Territories and the Yukon than in any other part of Canada.

Mr. Nielsen: It is 60.8 per cent.

Mr. Baldwin: I thank the hon. member for Yukon for drawing to my attention the fact that it is 60.8 per cent. When I am home in the summer, in my riding of Peace River, the pathway to the north, day by day I see tremendous numbers of cars with tourists going north as well as others with people going in there with the intention of carving out for themselves a new home and a new career. This is one of the few places left on this continent where it is possible for men of courage, industry and imagination to go

and, without too much influence or too much money, be able to establish a home for their families and a business and career for themselves.

From what I know, Mr. Speaker, I am satisfied that the fantastically high rate of increase in population is bound to continue. It is inevitable; it cannot be stayed. I believe it is up to us at this time to make a complete survey of the whole situation so that when new provinces are created, when larger populations become a fact, when new industries are established and we see a quickening of the economic pulse of the north we will have provided the necessary machinery of government so that the people there will have complete and adequate representation.

Someone has described the other place, I believe, as the repository of sober second thought. If that is the case, I am quite sure that any representation from the north will be largely influential in providing some change in that spirit. We heard something about that the other day in a debate, if I may be permitted to refer to it, when we talked about certain improvements to the old town of Dawson city. I would think that the spirit of Robert Service might well flourish in the other place.

On another aspect of the matter, Mr. Speaker, I would point out that it often happens, as was the case last year, that there are differences of opinion between the two bodies. This, of course, is the right of both. It might well be that the people of the Northwest Territories should be entitled to have representation in the other place so that they might be free to take a different view from that which we happen to take in this house.

I want to be careful in phrasing my final point. I know many people who went into the north country who have expressed the view I wish to express, and I have been there myself and have experienced this attitude of the people. Up until recent years the people there felt that Ottawa was a long distance away and that there was a complete lack of understanding, sympathy and appreciation of the point of view of the northerner, which I may say is completely different from that found elsewhere in this country. I do not wish to be critical in any sense of the departmental officials who went to that part of the country because in many ways they were faced with difficult tasks when they left other parts of Canada to make their homes in the north. They had difficulty in understanding, assimilating and interpreting the views of the people there. However, the people there felt that on too many occasions there was a lack of understanding on the part of certain officials of what were the real requirements not only of the present but of the future.

Therefore, it is my view that if this bill as proposed ultimately becomes law it will have the effect of interposing additional representation in the form of two senators, one from each of these geographical units, so that the true views and real desires of the people in these territories can be presented personally in Ottawa by people who have lived in the territories and who have experienced the problems of the people of the north. For all these reasons I am most happy to lend my voice and support to what has been said by the hon. member for Yukon, and I hope the time may not be too far distant when we may look forward to the arrival in Ottawa of senators from the Yukon and the Northwest Territories.

Mr. H. W. Herridge (Kootenay West): It is obvious, Mr. Speaker, as will be proven by the time the clock reaches six, that the government does not support this measure. However, I should like to say a few words upon it on behalf of this group. According to the explanatory notes, the purpose of this bill is to make provision for representation in the Senate of the territories which form part of the Dominion of Canada which are not included in any province, as authorized by the act of 1886.

I fully appreciate and well understand the interest of the hon. member for Yukon (Mr. Nielsen) in this subject, and his desire to see the Yukon and the territories have representation in the upper house or, shall I say, the upper house which some say is the counterpart in the parliament of Canada of the House of Lords in Great Britain. I know he has been interested in this subject, and I presume this is a good political move with regard to the Yukon and the Northwest Territories which contain the two constituencies that have recently been created.

However, in our opinion, Mr. Speaker, this move is a bit premature. You know, the members of this group always try to make two and two make four. We want to make certain what the future holds before we move forward, to make certain that what we are doing is necessary under the circumstances and will be of genuine advantage to the people concerned, not just of advantage to one individual. We say the bill is premature because, in our opinion, these areas should first become provinces and have self-government like the other provinces that are represented in the upper house of this parliament. That definition should please its members. We should proceed in these matters a step at a time. First of all, let us provide

for self-government in the areas by virtue of the establishment of provinces. It is obvious that to date no government of Canada has considered that the population in the territories concerned could justify a provincial government or the expenses of its administration and so on. However, that is a matter of debate.

Mr. Nielsen: May I ask the hon. member a question?

Mr. Herridge: Certainly.

Mr. Nielsen: If what the hon. member says is correct and we are premature, and since the territories are not yet provinces, can the hon. member suggest the reason why, as far back as 1886, the mother of parliament was far-sighted enough to include in the provisions of the British North America Act a provision for the appointment of senators from the existing provinces and from all the territories which, for the time being, do not form part of the provinces but form a part of the Dominion of Canada?

Mr. Herridge: Yes, Mr. Speaker. I can well understand that inclusion because the persons who drafted the legislation would interpret the legislation as the hon. member for Essex East (Mr. Martin) would on occasion, in the light of all the circumstances. In our opinion, the circumstances are such that the move on the part of the hon. member is somewhat premature for several reasons. First of all, we believe there should be a provincial government. Then, too, the question of Senate reform is in the air, or am I mistaken, Mr. Speaker? Is it up in the air? We are not quite sure what is going to happen in that respect. Before we approve of a measure such as this, I feel we should know exactly what the Prime Minister has in mind with regard to Senate reform. This is one of those unrevealed mysteries to date. We give that as a second reason, Mr. Speaker, for suggesting that, with all the good intentions in the world, this measure is somewhat premature.

Then again, the population would not justify the additional expense at this time. We believe that rather than create the additional expense, it would be more businesslike, shall I say, more practical, for additional moneys to be paid to members from the Yukon and other northern members to travel their constituency to a greater extent than is possible today. I believe that would be a more practical way. It would be far better to have members of parliament representing these northern constituencies provided with sufficient funds to go to these isolated places. We certainly understand the difficulties involved and the exceptional expenditures required as compared with representing a riding like Wentworth, for instance. It would be far better to have three members doing that than have a representative in the Senate and three members from these ridings simply representing the area in the House of Commons or in the upper house without sufficient funds to travel their constituencies. I suggest the cost of a senator could be used to better advantage in that way.

Mr. Nielsen: Will the hon. member permit another question?

Mr. Herridge: Certainly.

Mr. Nielsen: I am sure the hon. member agrees with me on the fundamental principle that there should be no taxation without representation. Since the other place has, in effect, a veto on taxation measures passed in this house, does the hon. member not think the citizens of the north should have a voice in the place where they are, in effect, faced with laws which impose taxes upon them?

Mr. Herridge: I think the hon. member's question is very easy to answer. In so far as the realities of taxation are concerned with respect to the people of Canada, the control exists in the House of Commons. I am quite sure that people are well protected, and I am quite sure the people of the Yukon are well represented in that respect. I am sure the hon. member for the Yukon will make certain that the people of his district are protected with regard to taxation, and they will have their views considered through him.

Mr. Nielsen: That is true; but just recently the other place, for instance, refused to pass an item affecting the customs tariff. Now, there again the other place completely nullified the action taken by this house.

Mr. Herridge: This was not a case within the scope of the Department of National Revenue. It was not on the basis of a form of taxation that the bill was opposed by the gentlemen in the other place. It was opposed because it was considered something new in Canadian history, the denial of the right of appeal. The Senate were protecting the people of the Yukon and the Northwest Territories.

I do not wish to prevent other members from having the opportunity to speak. However, I wanted to give the house some reasons why this group considered this bill somewhat premature. We are not willing, therefore, to support a measure of this type at this time because we do not believe the appointment of a senator to the upper house representing the areas specified is justified under present circumstances.

Mr. Nielsen: Before the hon. member takes his seat, I wonder if he would answer a question which arises out of his initial remarks? Does he not feel representation in the parliament of Canada, including the other place, would be of benefit to Canadians who live in the north?

Mr. Herridge: I tried to make the point before that it might from a theoretical point of view be a benefit. However, their representation would be greatly increased by providing the members of parliament elected from those northern areas with the funds required to travel and meet all their constituents, rather than by spending this additional money in the appointment of a senator to the Senate of Canada to represent that area.

Mr. William Skoreyko (Edmonton East): I should like also to take this opportunity of congratulating the obviously sincere hon. member for the Yukon upon the introduction of Bill No. C-28. I was interested in this particular bill, so this afternoon I took the opportunity to check on the latest census figures. I note that the Yukon electoral district now has 14,628 people; the Northwest Territories, 22,998 and Mackenzie, 14,895. To me this is sufficient reason why representation should be given in the Senate.

I was very interested in the remarks made by the hon. member for Kootenay West (Mr. Herridge). All of a sudden the hon. member appears to be interested in saving dollars and cents. I have with me a book entitled "The Government of Canada" written by MacGregor Dawson and I should like to quote from it as it is appropriate in an argument against the cost involved, as put forward by the hon. member. It reads:

> —the Senate was intended to act as a revising and restraining body to deal with possible errors or impulses of the Commons. On this point the opinion of Sir John A. Macdonald may be taken as typical:
>
> There would be no use of an upper house if it did not exercise, when it thought proper, the right of opposing or amending or postponing the legislation of the lower house. It would be of no value whatever were it a mere chamber for registering the decrees of the lower house. It must be an independent house, having a free action of its own, for it is only valuable as being a regulating body, calmly considering the legislation initiated by the popular branch, and preventing any hasty or ill-considered legislation which may come from that body, but it will never set itself in opposition against the deliberate and understood wishes of the people.

Apparently the hon. member for Kootenay West is a perfectionist. Therefore he makes no mistakes and can see no reason why the people of that area should have representation in the Senate. I wholeheartedly support the views of the hon. member for Yukon (Mr. Nielsen) regarding the appointment of an Eskimo to the Senate. The Prime Minister appointed the first Indian to the upper chamber and, as I say, again I support the views expressed by the hon. member for Yukon in this regard.

In the north we have such cities as Whitehorse and Yellowknife, that are growing daily. I have had some experience in the north and have travelled through it on two or three occasions. It is indeed a fast growing area and at the moment I wish to make reference to a speech made by the Minister of Northern Affairs and National Resources (Mr. Dinsdale) at Winnipeg, some six months ago. He said that a satisfactory program for the north must clearly give full weight to natural resources development. It would fail, however, if it overlooked the human resources in the 35,000 people who live there. The territories are not overcrowded yet and it is startling to think that part of the country has a smaller percentage of people living there than in some of our larger cities. The population of the north is growing faster in percentage terms than any other Canadian province. Since the 1956 census estimate there has been a 60 per cent increase in population. I do not know if this is the actual figure. It is the greatest asset for development that the territories have.

I just want to go on record once more as saying that I wholeheartedly support this measure.

Mr. A. C. Cadieu (Meadow Lake): I would also like to commend the hon. member for Yukon for bringing this bill before the house. Anyone who has done considerable travelling in northern Canada can see the real need for the bill.

As a representative of a far northern riding and having had the opportunity recently of making an extended tour of the north, right up to the Arctic, I have seen the rapid growth that is taking place in that area. It would do a lot of hon. members good to see the development in progress in the north, and accompanying it the increase in population.

I also want to commend the hon. member for bringing the bill before the house in order to give the franchise to the people of Keewatin and Franklin districts. Returning to the present bill I, as one who represents a large population of Indian people, can fully realize what it has meant to those people to have a representative in the upper house. I know the great task which the hon. senator who represents that vast population has to do, and I can see great possibilities in the Eskimo population having a similar representative.

I know the hon. member for Kootenay West was talking about saving money, but when

one looks at the vastness of the north country and understands that these people want better representation than what they have at present, then his argument does not bear much weight. In conclusion I would like to go on record as supporting Bill C-28.

Mr. Speaker: The hour for consideration of private members' business having expired, the house will revert to the business which was interrupted at five o'clock.

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING DEFINITIONS, CONTROL OF DELIVERIES, ETC.

The house resumed consideration in committee of Bill No. C-75, to amend the Canadian Wheat Board Act—Mr. Churchill—Mr. Henderson in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

On clause 1—*Grain.*

The Deputy Chairman: Before going on I should apologize to the committee for having inadvertently referred to the Orders of the Day, page 15, item No. 37 which I find has to do with the Canada Grain Act, not with the act which is before the committee at the present time for consideration clause by clause.

I am now prepared to hear arguments on the amendment which was presented to the committee by the hon. member for Assiniboia as follows:

That paragraph (e) of clause 1 be amended by deleting the word "and" as well as the semi-colon in line eight and adding the following words: "and mustard seed".

Mr. Argue: Do I take it the amendment is considered to be in order?

The Deputy Chairman: I only made the comment I did so that it would be clear, before we got under way, that I had made an inadvertent error before we rose for the dinner hour by making the reference I did to an item on the order paper which does not concern the bill I had in mind when I made that reference. I apologize for doing so. We now have to consider the question of whether or not this amendment is in order, and I would ask any hon. member who wishes to make a contribution in order to assist the Chair in this regard to rise now.

Mr. Pickersgill: Perhaps Your Honour would indicate the further ground upon which you had doubt about the validity of the amendment proposed. I am not sure that all hon. members will recall what the other ground was. It might shorten debate if you could indicate it briefly.

Mr. Rapp: On a point of order—

Mr. Pickersgill: Perhaps we could first hear what the Chair has to say.

The Deputy Chairman: There were two points I had in mind before we rose for the dinner recess. One was the question whether or not the addition of the words "and mustard seed" did not introduce a completely new and unrelated amendment. In this regard I may refer to Beauchesne at a later time if hon. members wish to make any contribution in this regard.

Mr. Rapp: On the point of order; yesterday I said I should like to see mustard seed included. However, I said also that under the present system mustard seed cannot be included because it has no statutory definition as to grade under the Canada Grain Act. It is not listed as a statutory grade in that act, neither is it listed under the western division which we find in the act on page 60. Consequently, I think, we shall not be able to bring mustard seed under the provisions of the Canadian Wheat Board Act. Only western grain can be brought within the provisions of that act. In the Canadian Wheat Board Act it is stated that grain includes wheat, oats, barley, rye and flax seed. It is stated further in the Canada Grain Act, in section 2, that western grain means grain grown in the western division, and the western division means all that portion of Canada lying west of the meridian passing through the eastern boundary of the city of Port Arthur. Thus I regret very much that we cannot include mustard seed at the present time because it would be out of order to do so. I suggest that the amendment cannot comply with the regulations set out in the Canada Grain Act and in the Canadian Wheat Board Act.

Mr. Argue: On the point of order, all I can say is that the remarks we have just heard come strangely from a member who obviously, on the basis of his past efforts, is interested in having these regulations apply to mustard seed. It is strange he should argue that the amendment is out of order.

However, I would remind the Chair that we are dealing now with the Canadian Wheat Board Act and that the hon. member for Humboldt-Melfort-Tisdale, in arguing that this amendment is out of order, has referred to another act altogether. The definition of grain in the Canadian Wheat Board Act does not depend, according to that act, on some other legislation. It stands on its own feet. I submit that if this phrase "and mustard seed" were added it would be within the

jurisdiction of the wheat board to decide whether or not quota regulations would apply to mustard seed. It might well be that action should be taken to define grades of mustard seed under the Canada Grain Act, but I suggest that is another proposition and that it has to do with another act. In my view it is very much in order to amend the act which we are now considering by adding the words "and mustard seed" in addition to the amendment which is already before the Chair, namely that which refers to rapeseed. For these reasons I suggest we should deal with this matter not by declaring it out of order but by putting the amendment before the committee.

Mr. Rapp: Further to the point of order, Mr. Chairman, I should like to direct your attention to chapter 25 of the Canada Grain Act, where it refers to statutory grades of western grain. Perhaps I might read the grains which appear in the western schedule. They are: red spring wheat, winter wheat, amber Durum, mixed wheat, oats, barley, rye, mixed grain, flax seed, buckwheat, corn, sunflower seed, soybeans, peas and rapeseed. Your Honour will find that these are the grains which come under the western schedule. Only those grains come under the Canadian wheat board which are listed in the western grain schedule.

Mr. Pickersgill: Mr. Chairman, I should like to say just a word about the point of order. It seems to me that the point of order almost is answered by the fact that the whole purpose of the clause we have before us is precisely to amend the present list of grains to include rapeseed, and if it is competent for the hon. member for Winnipeg South Centre to introduce an amendment to include rapeseed surely it is equally competent for the hon. member for Assiniboia to introduce an amendment to include mustard seed. If the one is out of order the other would be out of order and it seems to me that is more or less an absurdity. This is not the kind of question it was ever intended that the Chair should settle. This is precisely the kind of question that the committee should settle by a vote.

This is a government measure. If the government in its wisdom sees fit to resist such an amendment, of course that is the government's responsibility, but it seems to me it would be a very dangerous thing for Your Honour to take upon his shoulders a responsibility that properly belongs to the whole committee.

Mr. Rapp: Mr. Chairman, may I—

The Deputy Chairman: Order. I feel I have had enough assistance from hon. members of the committee at this stage and wish to thank them for the help they have given. I do not reject an amendment on the basis of whether or not it would be better put to a vote in the committee to let the committee decide, because I would fear the bad practice of establishing a precedent by which the Chair or his successors may not be able to abide. I start with the premise that is set out in section 59, paragraph 2 of the standing orders which reads as follows:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

That standing order is well known to all hon. members of the committee. If I may, I should like to refer to May's sixteenth edition at page 421 the opening paragraph under the heading "Rules with Respect to the form and Content of Amendments" which reads as follows:

> The fundamental rule that debate must be relevant to a question necessarily involves the rule that every amendment must be relevant to the question on which the amendment is proposed—

It goes on to say:

> Stated generally, no matter ought to be raised in debate on a question which would be irrelevant, if moved as an amendment, and an amendment cannot be used for importing arguments which would be irrelevant to the main question.

Paragraph 1 on page 554 dealing with the topic "Amendments" reads as follows:

> An amendment is out of order if it is irrelevant to the subject matter or beyond the scope of the bill, or if it is irrelevant to the subject matter or beyond the scope of the clause under consideration.

This is the authority which leads me to believe that the committee should weigh very carefully the complex question of introducing a word which might enlarge the scope of the clause under consideration.

Finally, may I refer to the explanatory notes of the bill itself which generally describe the purpose of the bill. The explanatory note to clause 1 reads as follows:

> The purpose of the amendment to paragraph (e) is to redefine grain to include rapeseed.

This is cast in pretty ironclad terms. It is for this reason that I feel the addition of the words "mustard seed" in the clause under consideration would enlarge the scope of the bill. I see that the hon. member for Ottawa West is anxious to rise to his feet. If he has something further to offer to assist the Chair I would be very glad to hear him.

Mr. McIlraith: Mr. Chairman, I should like to say a word if I may about the point of order. The explanatory notes have no relevance at all in consideration of the matter because they can have no effect before the committee. If a minister includes explanatory notes in a bill that do not accurately explain

what is being done by the bill, that surely cannot restrict the bill when it is before the house or the committee for consideration. It is the bill itself at which we must look in order to determine the question of relevance or whether or not the proposed amendment is foreign to the object of the bill itself. That must remain the test.

On the question of whether or not the proposition embodied in the amendment offered is relevant, I should like if I may to point out exactly what the part of the clause with which we are concerned says. It is an amendment to the definition of the word "grain" which in the act reads " 'grain' includes wheat, oats, barley, rye and flaxseed" and the amendment merely adds the words "and rapeseed". In other words the word "grain" is being enlarged in part by adding another of the oil seeds to the definition.

The word "grain" it will be seen does not contain an inclusive definition but is defined by listing certain cereal grains and certain oil seeds. That is the method the government used in approaching the definition of the word. The amendment offered is merely to enlarge the number of oil seeds being included in that definition, so it is not foreign to the clause in the bill before us. It is squarely within it. It is adding after the definition now included in the bill the words "and mustard seed", which is another one of the oil seeds. Surely it would be perfectly competent, for instance, Mr. Chairman, to suggest that the word "grain" should include all the cereal grains and the oil seeds. It would be quite impractical to do it as a proposition for the house to adopt but surely it would be perfectly competent to redefine the word "grain" by offering an amendment that said simply that it includes all cereal grains and all oil seeds.

Since the bill is put forward in the form that it designates certain cereal grains and certain oil seeds, what is being offered here is an addition to the oil seeds already included in the definition. Surely that is competent. For instance, it would be competent to offer an amendment that would limit rapeseed to certain grades of rapeseed as defined under the Canada Grain Act, or to restrict them in any way. Here we are merely extending the definition of the oil seeds to include mustard seed.

Mr. Churchill: On the point of order, Mr. Chairman, I think Your Honour was on sound ground when you quoted from May at page 554:

> An amendment is out of order if it is irrelevant to the subject matter or beyond the scope of the bill—

This is beyond the scope of the bill because as will be shown later the purpose of adding rapeseed is very clear. Arguments will be advanced as we go along. If you now permit individual members to bring forward additional types of seed, of which mustard seed is only one that might be thought of, you might have half a dozen amendments extending the meaning of the word "grain" and thereby imposing on the wheat board certain obligations which are imposed upon it by adding, as we have done in the past, flaxseed, and now rapeseed, under the title of "grain", so that the wheat board will have certain jurisdiction over those seeds. But you are going beyond the scope and the intent of this amendment if other seeds may be added at the whim of individual members.

Mr. McIlraith: It is not the whim of individual members. It is the judgment of the house.

Mr. Argue: That is what parliament is here for, namely to decide.

Mr. Churchill: On the other hand, an amendment which modifies the proposed amendment, as the hon. member for Ottawa West so wisely pointed out—that is restricting, for example, rapeseed to certain grades—I think would be in order; but I think this goes beyond the scope of the bill.

Mr. Pickersgill: I should like to say a word at this precise point, Mr. Chairman, as it seems to me to be clear that the reservations in the mind of the minister have nothing to do with this clause of the bill. The notions the government has as to what this bill should be are just the government's notions. This parliament is supreme over the government, or should be supreme as the Prime Minister pointed out to us yesterday in another context. The word you have to take into account in making your decision, Mr. Chairman, is "grain". The subject of this subclause (e) is grain. The only question which Your Honour can ask yourself is whether mustard seed is or is not a grain.

Mr. Rapp: It is not a grain.

Mr. Pickersgill: If the hon. member for Assiniboia had sought to put in apples, I would say that Your Honour would have been perfectly right to rule it out of order as being beyond the scope of the bill. If he had sought to put in trees, it would have been beyond the scope of the bill. However, is there anyone who will deny that mustard seed is a grain and yet say that flaxseed and rapeseed are grain? It seems to me that the word "grain" means seed. Anyone can look in the dictionary and find out. I can illustrate the point in another way, I think.

An hon. Member: What about apple seeds?

Mr. Pickersgill: Apple seed might be all right but not apples, and I suggest not apple sauce either.

Mr. Herridge: We are very sympathetic to this amendment, Mr. Chairman. Does the hon. member think it would be out of order if the hon. member for Assiniboia had put in peanuts?

Mr. Pickersgill: I confess that I am not enough of a botanist to know whether a peanut is a seed or whether it is a tuber. As that question is not before us, I probably should not be wasting the time of the Chair in discussing that rather oily intervention. However, when the hon. gentleman interrupted me I was pointing out that I could illustrate in another way why this would be in order. Much as it might displease the government, and certain as they would be to ask their friends to vote it down, I am sure that, if I were to rise in my place and move that flaxseed be stricken out, that amendment would be perfectly in order. If it is in order to strike out flaxseed, it is surely equally in order to put in mustard seed if the committee wishes to do so.

The government has a huge majority in this House of Commons and it does not need to worry about this being done by whims, to use the word of the minister. All the government needs to do is to tell the large number of supporters it has in the house, of whom there are a good number here this evening, how he wants them to vote, and I do not think they are going to be defeated. However, that is no excuse for the government's seeking to restrict the rights of hon. members to speak about mustard seed; and as Your Honour pointed out, anything you can speak about, you can make an amendment about. However, I come back to the point that mustard seed is a grain, that the subject matter of this amendment is grain and that therefore it is indubitably in order.

Mr. Rapp: It is not a grain.

The Deputy Chairman: I had some reservations and that is why I allowed fairly wide latitude in the discussion with regard to this point of order. I again thank hon. members who have assisted me. It is, of course, impossible for the chairman to define what is grain. This is a responsibility with which he is not charged. I can understand quite readily the suggestion made by the hon. member for Bonavista-Twillingate that there would be nothing wrong with an amendment to delete from the act one of these designated grains. However, I cannot discharge from my mind the fact that in my view the addition of another grain would widen the scope of the bill. If the amendment, for example, classified one of the grains named, this to my mind would be perfectly in order. However, because the addition of mustard seed in my view enlarges the scope of the bill, in my judgment it would be unwise to rule that the amendment of the hon. member for Assiniboia is in order. Accordingly, I must rule that it is not in order.

Shall clause 1 carry?

Mr. Argue: No, Mr. Chairman; there is something I wish to say before clause 1 carries. This is the place where one can have a general discussion. I wish to refer to the statement made by the hon. member for Provencher to the effect that no farm organizations had opposed the government's feed mill policy and the removal from the jurisdiction of the wheat board of feed grains sold to feed mills on the prairies. I refer to the submission to the government of Canada by the national farmers union on January 31, 1962, which at page 14 states as follows:

> We again register our opposition to the present policy of allowing feed mills in western Canada to purchase their supplies of grain at open market prices and outside the price and quota regulations of the Canadian wheat board.

I do not mind the hon. member for Provencher putting forth arguments as to why he thinks the wheat board's jurisdiction should be reduced to this extent. However, I do not think it is fair to the farm organizations to make false claims about their position. The position of the national farmers union is made abundantly clear in its brief. It has been a consistent policy. It is no different today than it was in 1959 when the evidence was being taken before the committee.

It is my opinion that the Saskatchewan wheat pool is still opposed to this policy. That is my opinion. I have not seen any statements on this point in recent days. However, I would appreciate having from the parliamentary secretary or from the Minister of Veterans Affairs a statement, if he can give it, as to the position of the Saskatchewan wheat pool. I do not think this is a correct statement for him to make. However, if he is right I should like to hear it and I would think that the western producers who are members of the wheat pool organization would like to know whether this is the kind of submission that the parliamentary secretary has received from these organizations. I wish again to register the strongest objections, as I have done consistently, to this new policy which has been imposed by the government and which to my

mind is cutting down the very basis of the wheat board and the orderly marketing of grain.

(Translation):

Mr. Boulanger: Mr. Chairman—

(Text):

Mr. Argue: Mr. Chairman, I have asked the parliamentary secretary a question. I think it is a pertinent one. I think it is one to which the committee has the right to hear a reply. He has made a general sweeping statement with regard to the position of the farm organizations. I have quoted a paragraph giving the policy of one farm organization and I have asked him whether or not he has any recent information about the position of the wheat pools.

Mr. Kindt: May I ask the hon. member a question?

Mr. Jorgenson: Mr. Chairman, in reply to the hon. member for Assiniboia may I say that I have before me an editorial from the Saskatoon *Star-Phoenix* of March 12 to which I would refer him. In that editorial it is stated quite clearly that in their view and in the view of western farmers the feed mill policy is generally accepted and has worked out much better than the farm organizations predicted it would. In reply to the specific question I would say it is true that certain farm leaders were opposed to the feed mill policy but I am quite confident that they do not reflect the views of the entire membership of their organizations.

Mr. Argue: I should like to get the reply of the parliamentary secretary clear. Did I understand him to say that he had in his hands and was referring to an editorial in the Saskatoon *Star-Phoenix*? If he had said the *Western Producer*, it at least is an organ of a farm organization, but I think it is an insult to refer to the position of farm organizations on the basis of an editorial in a daily newspaper which is completely divorced from those organizations.

Mr. Bigg: A Liberal newspaper.

Mr. Pigeon: It is a Liberal newspaper.

An hon. Member: Liberal or C.C.F.

Mr. Pigeon: Socialist Liberal.

Mr. Argue: Mr. Chairman, I believe I have the floor and I do not mind standing here while these interruptions take place.

The Chairman: The hon. member for Assiniboia has the floor and no hon. member should interrupt from his seat.

Mr. Argue: Mr. Chairman, I was just saying that I think it is an impertinence for the parliamentary secretary to refer to the Saskatoon *Star-Phoenix* as a basis for the position of farm organizations.

Mr. Bigg: It is a Liberal paper.

Mr. Argue: If he had used an editorial from a newspaper connected with the farm organizations such as the *Western Producer*, then that would be evidence, of course, as to the position of the wheat pools.

Mr. Jorgenson: Or the *Country Guide*?

Mr. Argue: The *Country Guide* would reflect the position of the U.G.G., but I suggest to the parliamentary secretary that what he is saying now has absolutely nothing whatsoever to do with the position of the farm organizations, and that to use an editorial in the Saskatoon *Star-Phoenix* purporting to indicate the position of the farm organizations is an insult to those organizations. Although the parliamentary secretary made the sweeping statement this afternoon that farm organizations support the government's feed mill policy, which in my opinion is undermining the Canadian wheat board, I am very pleased that he has not been able to substantiate that statement.

What does he say now? He says that certain farm leaders take this position but the membership does not. This can mean only one thing, that he is referring either to the national farmers union or the Saskatchewan wheat pool as taking this position. I suggest it is an insult both to the membership and to the leadership of these organizations to suggest that the leaders are talking one way and the membership is taking a different stand.

Mr. Lambert: Come out to Alberta and find out.

Mr. Argue: Mr. Chairman, I am pleased that the position taken in recent years by the farm organizations has not been altered in any way by evidence produced by the parliamentary secretary.

I should like to raise another point on clause 1. It has to do with the reference made by the minister, when he was introducing the legislation, to the maximum price for grain that can be obtained at Fort William-Port Arthur and Vancouver under the international wheat agreement. In making his statement the minister said that the maximum price, in accordance with the discount today on the Canadian dollar, could go as high as $2.14 a bushel at Fort William and Vancouver. I am not trying to misinterpret what the minister has said. I am asking for information and clarification. I did so this afternoon but the minister did not answer me in his general reply. I asked this afternoon why the wheat board has not been able to obtain more than $1.90 a bushel at Fort William when the Canadian dollar is at a discount today.

I take it that the maximum price at Fort William today in United States funds is about $1.99 a bushel. The minister can adjust that to the precise amount but I think that would be very close. I ask him why the price at Fort William today is not above $1.90 and why the wheat board is unable to get this additional amount at this time. The minister seemed to imply in his statement that this might be accomplished by the 12½ cent increase in the maximum price of wheat because the price in United States dollars has gone up from $1.90 to $2.02½. If the best the wheat board can do today is $1.90 and a fraction it would seem to me that the best they could do in the future under the international wheat agreement with the ceiling where it is would be $2.03 or thereabouts.

Mr. Churchill: Mr. Chairman, I understand the hon. member's interest in this particular question but it is quite obvious that I could not provide the answer tonight. I would have to consult with the wheat board with regard to the price range at the present time. I would be very glad to do that and endeavour to get an answer for the hon. member; but without consultation with the board I am certainly not able to give that answer now.

Mr. Argue: If I may follow up that point, I wish to get an answer from the minister. I will appreciate an answer. I suppose he will have to write me a letter if the bill has been passed but I would appreciate an answer in any case. However, I will tell the minister now what I think the answer probably is, namely that wheat out of Vancouver commands a premium over wheat out of Fort William because of lower ocean transportation rates. The point I wish to make is that the ceiling that the minister has quoted for Fort William and Vancouver is really in fact the ceiling at Vancouver, and the price at Fort William has to be adjusted downward. I think that is the attitude of the Canadian wheat board. Therefore from the standpoint of the producers it is not realistic to refer to this ceiling as being the ceiling at both Fort William and Vancouver. In other words, the maximum ceiling under the international wheat agreement is not available for all Canadian wheat. It is available only for Canadian wheat that moves out of Vancouver and there is a discount in the case of wheat moving through Fort William.

I have given the minister what I think is the answer. I am not positive I am right. I do not have any particular information except what I have picked up by reading the newspapers. I wanted to bring out this point so that there would be further clarification of the sweeping statement made by the minister that $2.14 was the maximum price at Fort William and Vancouver. My point is that even with the discount on the Canadian dollar this is in fact the effective maximum at Vancouver and there is a lower price at Fort William through which a large part of the grain moves.

(Translation):

Mr. Boulanger: Mr. Chairman, for the information of the hon. member for Provencher (Mr. Jorgenson), I should like to comment on the statement he made this afternoon when he suggested that farmers would not be against the opening up of the Canadian grain market.

In this respect, I should like to put forward the views of eastern farmers who have repeatedly made representations to the government in order to receive the same treatment as the millers in western Canada.

Eastern feed mills are subject to the regulations enacted by the Canadian wheat board, while western feed mills are not. As a matter of fact, this is what eastern farmers have asked of the government since the Canadian wheat board regulations have been changed. The association for the development and protection of agriculture in eastern Canada pressed the government for:

> The removal of all trade restrictions on the sale of barley, oats and other feed grains to restore equal prices across the country so as to ensure the orderly production and marketing of cattle, poultry, dairy products, etc.

We made criticisms last year, especially in the committee on agriculture and colonization, and we showed that grains sell for less in the west than in the east, that is at approximately half the price. On the other hand, we have shown that the situation is somewhat different today because grain supplies are at a minimum, and if the 1962 crop is a failure, we will probably be short of feed grains.

Moreover, certain western organizations have protested against changes in the regulations. Both the government of Saskatchewan and the Saskatchewan wheat pool made representations in that connection, the latter through its chairman, Mr. Gibbings.

As you can see, Mr. Chairman, it is not only the eastern farmers who have protested against these changes but certain western organizations as well. Last year, we said that the changes in the regulations would bring about a certain integration for the western feed mills.

I am able to say tonight that on June 1st, 1961—when looking back to the last ten years—hogs produced in eastern Canada and British Columbia numbered 3,149,000, which represents an increase of 87,000 over 1951. On the other hand, production in the prairie provinces went up from 1,800,000 to 2,700,000, which is an increase of almost one million hogs in the west, to the detriment of eastern farmers.

Today, we, in the east, have to import from the west. We import a considerable quantity of beef, which is only normal. But when we have to import pork, there is something wrong; and that situation can be attributed to the short view policy, the day-to-day policy of the Conservative administration. We have told the government that there is still time to remedy that state of affairs so that our eastern farmers may enjoy a better standard of living.

The number of farmers in eastern Canada has decreased by 32,000 in the last ten years, whereas in the west it has decreased by only 16,000. The reason for it is that eastern farmers do not have sufficient income to provide for the needs of their families. Last year, we passed an act for the development of submarginal farms, and it is time that the government put that legislation into force.

At this stage, I would like to make a correction—

The Chairman: I listened carefully to the hon. member and I hoped he would come back to the clause before us. I would ask him to keep to that clause.

Mr. Boulanger: Mr. Chairman, I did not stray from the subject. I was on the point of making a correction, as my remarks with regard to the Canadian wheat board have been misinterpreted. I know that the Canadian wheat board was established by a Conservative government.

Mr. Pigeon: You said a "Liberal government."

Mr. Boulanger: I said, afterwards, that for 22 years the act was administered by a Liberal government. And, with regard to the act commonly called A.R.D.A., it was introduced by a Conservative government, but it will be a Liberal government which will put it into force in a few months, when it will again be in power.

Mr. Pigeon: Think twice before speaking in this way.

Mr. Boulanger: Mr. Chairman, I would ask the Acting Minister of Agriculture to carefully note our remarks, because they express the views of our eastern farmers.

I know that tomorrow night there will be a meeting of eastern mill owners, and I know that their recommendations will be similar to those I just made.

I would like to hear other hon. members from that area expressing their views with respect to the treatment meted out to eastern farmers. Some people of course, rise to praise the government and its farm policy. I hope that, during the next election, they will go on praising the policy of a Conservative government that has brought about an agricultural depression.

Mr. Pigeon: Why don't you tell us about Mr. Courcy, the No. 1 enemy of farmers and agronomists.

Mr. Boulanger: The agricultural policy of the Conservative government is a defeatist policy. Our farmers are leaving their farms to go and live in the cities, because they can no longer live on their farms. We only have to read a booklet issued by the Department of Agriculture, last year, to realize that 61 per cent of eastern farmers are hardly making a gross income of $2,500 a year. How can you expect them to make both ends meet when a floor sweeper, in industry, is earning $3,000—

The Chairman: Order. The hon. member for Berthier-Maskinonge-Delanaudiere (Mr. Paul) is rising on a point of order.

Mr. Paul: It is very interesting to hear the hon. member for Drummond-Arthabaska (Mr. Boulanger), but I think it would be more practical for him to stick to the consideration of this bill.

The Chairman: Not only would that be more practical, but it would also be more in order. As I have already asked him to do, I would again ask him to abide by the rules and to deal with clause No. 1 now under consideration. I know the hon. member will abide by my ruling.

Mr. Boulanger: Mr. Chairman, I do not think I have strayed away from the subject. It is perhaps the hon. member for Berthier-Maskinonge-Delanaudiere—

Mr. Pigeon: Tell us about Mr. Lesage's policy.

The Chairman: Order. Such interjections should stop. On the other hand, the hon.

member, who has already acquired some parliamentary experience, knows that he must deal with item No. 1, and I hope he will do so.

Mr. Boulanger: Thank you, Mr. Chairman. Each time I have the floor, I realize that I hurt the feelings of Conservative members. That is why I seem to be out of order more often than I should. I sincerely believe I am defending the opinion of eastern farmers, and I shall continue to do so.

(Text):

Mr. Jorgenson: It is not my intention to follow all the wanderings of the hon. member but I do want to deal with one of the points he raised because I think he is labouring under a misapprehension and I wish to correct him.

The question was raised about feed grains moving into the eastern provinces, and he suggested that these should move without the authority and jurisdiction of the board. I should explain to him that the recent change in regulations simply permitted feed mills—the farmers all had this right before—to purchase grain within the provinces. The jurisdiction of the board does not apply to moving grain within a province, but if a farmer in the province of Saskatchewan wanted to buy feed grain from the province of Manitoba he would have to go through the Canadian wheat board, just the same as is the case in dealing with the movement of grain from the western provinces to the eastern provinces.

I am sure the hon. member for Assiniboia must be considerably embarrassed by the statements which his colleague made—

Mr. Argue: Not at all.

Mr. Jorgenson: —because what he is seeking to have done is what the hon. member for Assiniboia has been criticizing.

Mr. Argue: The theory is that what is sauce for the goose is sauce for the gander. The mistake was made.

Mr. Jorgenson: The hon. member knows that in regard to the movement of grain between provinces there is no intention to tamper with the authority of the board.

Mr. Argue: You have already tampered with it in the quotas.

Mr. Jorgenson: I should like to quote from an article in *La Terre de Chez Nous* which appeared in the issue of November 29, 1961. It is an article which deals with this question of feed grains and with what happened when the government decided last fall to authorize the feed companies to import quantities of grain, particularly feed oats, from the United States. It reads:

[The Chairman.]

> Feed is not "for the asking"; it must be paid for and at a high price just now. This is a common complaint. It is heard throughout eastern Canada—from the head of the Great Lakes to the easternmost tip of Newfoundland. In Quebec and Ontario, the various mixtures are selling from $1 to $5 or $6 a ton more than a year ago, and in some cases the difference is even much greater.
>
> As everyone knows, the cause of the trouble is the small quantity of grains used in making feed, particularly oats and barley. Another well-known fact is that when stocks are limited, prices climb quickly especially at the consumer level. In the case of feed grains, the leading consumer, the one who foots most of the bill, is the eastern farmer. His plight is the greater because of the fact that products obtained from these grains show no sky-rocketing tendencies.
>
> However, it must be admitted that the prices of oats and barley are no longer at the top of the ladder as they were in August. They have dropped a little, maybe two or three rungs, according to official quotations. The entry into Canada of a few million bushels of oats from the United States has had a wholesome effect; that fact must be recognized. According to one of our best economists, these American imports have helped reduce by about $3 to $4 a ton the price of oats and barley in Canada.

That quotation is taken from a newspaper published in the hon. member's own province. I might say in this connection that from August 17 to February 16, 1962, the board has issued permits for the importation of 10,370,300 bushels of United States oats. Each permit had a 30 day expiry limit and not all of the permits were exercised. Over 5,200,000 bushels of American oats have been brought into Canada, mostly to eastern Canadian positions, half of which have been used up and the remainder is still in storage.

At March 1 this year there were over 6 million bushels of feed oats in the elevators in eastern Canada. This included about 2,400,000 bushels of American oats and a small quantity of eastern Canadian oats. This total is almost double the quantity of oats in eastern positions at March 1 last year, when only 3,400,000 bushels were on hand.

Supply of Canadian feed oats in store at the lakehead at March 1 this year amounted to 7,300,000 bushels compared with only 3,400,000 bushels at March 1, 1961. Therefore the hon. member's charge that the Canadian wheat board has not been recognizing the difficulties of the eastern feeders is not well founded, and the charge that the board has done nothing to assist the eastern feeders is one which cannot be substantiated, as is shown by the article I quoted from *La Terre de Chez Nous* and as is indicated by the statement I have just made.

I am sure that the hon. member, on reflection, would be prepared to say that the Canadian wheat board has made a very strenuous effort to ensure that quantities of feed have been made available to eastern feeders at all times.

Mr. Tardif: When I was absent this afternoon the hon. member for Macleod made a statement and attributed something to me that is not factual. He said that I was against the sale of grain to China. What I did say was that every member in the house was delighted with the sales made to China, that we deplored the fact that Canadian salesmen were not as good as Australian salesmen who sold considerably more wheat to China, that China could never be a permanent customer, and that the people charged with selling Canadian grains should devote themselves to trying to establish permanent customers. I also stated that when China was able to supply its own needs it would no longer be a customer of the magnitude it is now, but I was glad to see that we were selling wheat to China.

Clause agreed to.

On clause 2—*Group life insurance plan and group medical-surgical insurance plan.*

The Chairman: Shall clause 2 carry?

Mr. Argue: I would like some information from either the minister or the parliamentary secretary on what is really involved in this clause. Its scope is obvious. It states:

> With the approval of the governor in council, the board may enter into a contract with any person
> (a) for the provision of a group life insurance plan, and
> (b) for the provision of a group medical-surgical insurance plan
> for the members of the board and the officers, clerks and employees employed by the board under this act and their dependants, and may contribute a share of the premiums payable under such plans out of the funds of the board.

Subclause (2) reads:

> Contributions made by the board pursuant to subsection (1) shall be deemed to be expenses incurred in connection with the operations of the board.

It is perfectly clear what this will allow to be done. With the approval of the governor in council contracts can be entered into to provide group life insurance and group medical-surgical insurance for members, officers and clerks of the board, and the farmers will foot the bill. The farmers will pay the cost out of the wheat board funds.

Now I am not objecting to this. I want to make that clear; but I believe the minister owes it to the committee to tell us how many employees could be covered by this clause, and give us some idea of the thinking that went into bringing this important amendment before the house. Has the wheat board on hand some tentative proposals with regard to this kind of coverage? If so, what would the cost be, and how many employees are involved. I think the grain producers of western Canada who are going to have to foot the bill and pay these costs, or a portion of them, have the right to know what may be involved.

Mr. Churchill: The thinking behind this amendment, of course, is obvious. It is consideration for the employees of a first class business organization. It is just good business practice, recognized also in government circles, to provide the type of benefit which the board would like to provide for its employees in this amendment. I am sure the producers of western Canada who are now paying the salaries of the Canadian wheat board and the employees of that board would be only too pleased to go this step further, as most business enterprises are doing today, and provide for group life insurance and group medical-surgical insurance for the employees of the board. This is a contributory plan. It is not simply a handout on the part of the producers. However, there is the normal share paid by the employer toward the cost of the plans. What that means in dollars and cents I cannot say immediately because I have not got the figures in front of me showing the number of employees but, of course, that is readily available. I would think that after approval has been given to this measure, when the officials of the wheat board are here, as they are before the committee on agriculture every year, the detailed questions which the hon. member for Assiniboia has raised could very well be answered. However, unless hon. members intend to oppose this forward step I am not certain that we need go into some of the details the hon. member has mentioned.

Mr. Argue: I wish to protest certain features of the statement which has just been made by the minister and I want to protest the general attitude of the government in this regard. Here is a minister who is acting as the minister for agriculture. He is the minister in charge of this bill and he has sitting beside him a capable parliamentary secretary. Yet, when we ask questions that are pertinent to this clause he gives us no information. What the minister is saying to us is: pass the clause, rubberstamp it, and then call in the wheat board officials and they will treat the agriculture committee like a kindergarten class, after the law has been placed on the statute books. I think the minister should have the officials before him. We have the right to be given this information in this committee. We should not have to pass blank cheques even for a good purpose. The minister says the information is readily available. That may be the case, but he has not got it and he will not produce it.

Mr. Churchill: All right. Sit down, and I will give it to you.

Mr. Argue: I will not sit down. This is the parliament of Canada and I do not have to take that from the minister. My question was: how much money will this cost? How many employees are on the board? Yet I am told to sit down—

An hon. Member: And he would give you the information.

Mr. McIlraith: On a point of order, Mr. Chairman, I wish to ask you to see that order is observed in this committee. When members of the opposition speak, they have a right to be heard and to debate this subject. When supporters of the government rose to speak they were listened to without interruption, but when anyone in the opposition gets up he is not given an opportunity to speak, and that is not good enough for the Canadian parliament.

The Chairman: I would ask the co-operation of all members of the committee in order that the member who has the floor may be heard. The hon. member for Ottawa West is right in saying that all members, no matter who they are, have a right to be heard and I ask all to co-operate so that this rule can be observed.

Mr. Ricard: I cannot let the affirmation of that gentleman go unchallenged. He says that we on this side were heard—

The Chairman: I have asked for the co-operation of all members of the committee so that whoever has the floor may be heard. My remarks were not directed to one side or the other. The hon. member for Assiniboia has the floor.

Mr. Lambert: On that point of order—

The Chairman: Unless the hon. member from Edmonton West has another point of order to raise, I think this matter has been thoroughly dealt with.

Mr. Argue: I have been asking some questions to try to elicit from the minister information which I think is relevant to the clause which is before the committee. I was trying to find out whether there have been any discussions with the board concerning any binding agreements or contracts which could be entered into with the employees with the approval of the governor in council to provide for group life insurance and group medical-surgical insurance. The minister says this information is readily available. This information is not readily available. The minister comes into this house without the figures for which I have been asking. I am not saying he should carry them all in his mind or even in his briefcase. But I say that he should have the officials before this committee so that we can obtain this information. I say, Mr. Chairman, that in all my time in parliament I have never known a minister of the crown say to me in response to a question I put to him: "Oh, sit down". I think that is the height of arrogance from an arrogant minister in an arrogant government. It is hardly fitting coming from a minister in a government which says it does not want to impose closure but wants parliament to have the right to free discussion.

The grain producers of western Canada are being asked in this clause to give the government the right to impose an additional burden on grain producers. I am not saying they will object to the contracts. I think the grain producers have shown that they want an efficient wheat board efficiently run. But I also believe that in a time of crop failure and low incomes to grain producers, at a time when the government has felt, with the support of all the members of the house, that steps should be taken to do at least something to alleviate this situation, it is pertinent to ask how much this is going to cost—how much it may cost. I have the greatest regard for the personnel of the Canadian wheat board but I make the statement that people who are receiving salaries of $20,000 a year or more are just a little more capable of providing their own life insurance and their own group medical-surgical insurance than the hard-pressed grain producers who will be asked to foot the bill.

I do not intend to oppose the clause. I am going to vote for it. If the minister wants to call a vote, I shall vote for it; but I think it is a very bad thing for the minister to come here and ask parliament to rubberstamp this proposal, though it be the best clause in the world, without giving us the kind of information for which I have asked. While I shall vote for it, I wager that there are tens of thousands of grain producers who would say that in view of the attitude of the government it is an imposition in a year of crop failure to ask them for this kind of blank cheque without any explanation. It is not enough to say to parliament, "Pass it tonight and we will give you the information at some later date when we have a meeting of the agriculture committee".

Mr. Churchill: Well, Mr. Chairman, you have just heard the hon. member for Assiniboia who is a master of bluster and noise. He is acting now within the ranks of a great historic party as he behaved when he was ranting and raving in the corner to Your Honour's left. I must say the conduct of the group in that corner has been vastly improved since the hon. gentleman left that corner

because the group seated there is now under the genial guidance of the hon. member for Kootenay West.

Mr. Pickersgill: Not much opposition left, you mean.

Mr. Churchill: Indeed, my respect for the group in that corner has risen immensely since the hon. member for Assiniboia left. He is now trying to re-establish himself by bluster and noise and that, I think, will not work within the party with which he is now associated.

Mr. Deschatelets: Would it not be more simple to answer the question?

Mr. Churchill: Just wait until Mr. Walter Gordon gets after the hon. member for Assiniboia. During the course of his remarks which the hon. gentleman repeated over and over again, I said to him, "If you will sit down I will give you the answer".

Mr. Argue: Oh, no. You just said, "Sit down". You said, "You sit down".

Mr. Pallett: You were talking so loudly you could not hear what was said.

Mr. Crestohl: You are getting a dose of your own medicine.

Mr. Churchill: Mr. Chairman, I hope you will take note of the interruptions from the other side of the house. I am not being given a chance to be heard. This is a shameful thing. This is destructive of parliament and it reflects on the reputation of the Liberal party. I shall deal with the monstrous blustering of the hon. member for Assiniboia. I asked him to sit down and told him that if he did so I would give him an answer.

Mr. Argue: That is not what you said.

Mr. Churchill: The hon. member kept repeating his statement and then quite falsely he referred to half of my statement and accused me of ordering him to sit down. I did no such thing. The hon. member has been in the House of Commons a long time—

Mr. Pallett: Too long.

Mr. Churchill: —and he knows better. If the hon. gentleman is going to re-establish himself as a suitable member of parliament the electors will send back to the house, he will have to modify his ways and become more moderate and establish himself as a proper member of the Liberal party and not just a blusterer who has no home at all.

Mr. Crestohl: The hon. member for Assiniboia will have to check *Hansard* tomorrow.

Mr. Churchill: I said with regard to this measure—and I spoke with the greatest moderation—that this was proposed by the Canadian wheat board in the interests of their employees, just as any good business enterprise would do. I said with regard to the hon. member's question that the number of employees was readily available. The information appears in the annual report of the Canadian wheat board at page 23 where it is stated that on July 31, 1961 the board had 724 employees as compared with 708 on July 31, 1960.

With regard to the amount of money which this will cost the employees and the employer, I do not have those figures in front of me for this very simple reason. The Canadian wheat board is examining several schemes with regard to the proposal. This is quite normal. There are several schemes available, I understand, with regard to the provision of group life insurance and group medical-surgical insurance. I would think it would be through consultation between the wheat board and their staff that they would select the plan that was most suited to their needs.

We are not asking this house to rubber-stamp this measure. We are suggesting that the wheat board be given authority to propose this scheme and put it into operation if it is satisfactory. If it is not satisfactory and if it appears to be a burden on the producers of this country I am sure their voice will be heard. There is an advisory council which sits in with the Canadian wheat board representing the producer interests of this country and they will have something to say with regard to this. I am sure that the wheat board will listen to any representations from local authorities, if any have some objection. On the other hand, I feel sure that the producers of western Canada, satisfied as they have been over the years with the efficient operation of the wheat board and with the effective work being done by their employees, will be glad to co-operate in this regard.

Just the other day we discussed in this house one of the acts under my jurisdiction, the Veterans' Land Act. There we suggested that the director be given authority to work out an insurance plan for those farmers coming under the Veterans' Land Act who were getting land from him and who owed debts to the director. We did not spell out the exact cost or the exact plan because we do not know yet what these will be. Various plans are being considered. No one then suggested that we were rubberstamping a proposition brought before the House of Commons.

Mr. Argue: Mr. Chairman, may I ask the minister a question?

Mr. Churchill: The hon. member for Assiniboia will not sit still and listen. He wants to get up and interrupt.

Mr. Argue: I just wanted to ask a question.

Mr. Churchill: The hon. gentleman does not wish to hear what I have to say. He wants to talk all the time and bluster and make a great deal of noise. Let the hon. member stay silent—

Mr. Argue: Oh, oh.

Mr. Churchill: Let him stay silent while he is seated in his place. If the hon. member has the floor I shall be glad to listen to him as I did before. While I have the floor, however, let the hon. member be silent and listen to me.

On that occasion we did not ask parliament to rubberstamp the bill. We put a proposition before the house which was reasonable and sensible and the house very sensibly adopted it. The director under the Veterans' Land Act can now work out schemes. Similarly, we are suggesting the same here. This House of Commons, with the sole exception of the hon. member for Assiniboia, is a very reasonable house tonight and I am sure the committee will accept the proposition that is spelled out in the amendment before us.

Mr. Argue: Mr. Chairman, as I remember the veterans legislation referred to, while it gives the director the power to consider this kind of scheme—the minister will correct me if I am wrong—my impression was that the veteran would pay the insurance himself and would decide whether or not he wished to avail himself of the insurance. However, under the plan before us, if it goes through at some future date, it will be an imposition on the grain producers.

I notice that the minister is gleefully reading notes which are being passed to him. That is perfectly fine. The minister told me to sit down and then he told me to remain silent. If the minister does not care to listen that, of course, is his right and I am not objecting to his giggling over the notes he has received.

This scheme will be an imposition and the grain producers have a right to the information requested. I think it is the duty of hon. members to inquire what this will cost. The minister has given us a little information, not too much but a little. He has told us that two or three schemes are being considered one of which may recommend itself to the wheat board and may be brought before the governor in council. The minister has given us no idea of the range of costs of this scheme. He has given us no indication what this might cost the grain producers of western Canada.

I think the wheat board system is an excellent one. I am willing to take a chance on this clause and on what may come in the future even if we should be so unfortunate as to have this government in power —and I do not think that will be the case— when any provision may be signed by the Canadian wheat board. None the less I think that when the grain producers have to foot the bill and pay part of the group life insurance plan and the group medical-surgical insurance plan, it is only realistic that the minister, before the provision is adopted by parliament, should be asked how much money might be involved. He might have given us the range of costs if he had that information. I think it is pertinent. While the grain producers are willing to pay reasonable costs and reasonable salaries—and I think they are paying reasonable salaries—I think they and the committee have the right to know what is involved.

Mr. McIlraith: There is one point I should like to have clarified with regard to clause 2. The difficulty in which I find myself arises out of the fact that the explanatory note says something quite different from what is contained in the clause itself. The clause provides that the board may, with the approval of the governor in council, work out a group life insurance plan or a group medical surgical plan. From that provision I take it that it is quite clear that what is envisaged is an attempt to bring the provision for the employees in line with the provisions usually made for employees in the government service and in larger private corporations, where there are sufficient numbers of them to work out a scheme of this kind. That is what is intended here, I take it. However, what I am not clear about is the latter part of subclause (1) of the new clause 8A wherein it is provided that "the board may contribute a share of the premiums payable under such plans out of the funds of the board". The explanatory notes say something quite different from that latter part of the clause which I have quoted. The explanatory notes say that the board would be permitted to contribute the employers' share of the cost. There is no such limitation on the board at all. The board could contribute much more than the employers' share. In the proposed legislation there is no limitation on them. What I want to know from the minister is this. Does he envisage any part of what is usually called the employers' share in these joint schemes being provided by the government and not by the board itself through the producers? The act is wide open in its language and permits payment from any source. It is merely permissive with the board to pay a part of the share if it so wishes. Does he envisage that

any part of the employers' share will be paid by the federal government out of public funds?

Mr. Churchill: No, Mr. Chairman. That matter has not been drawn to my attention. The wheat board has been operating all these years without government contribution. I would judge that principle would apply at the present time. As a matter of fact, the notes that have been given to me indicate that there would be no commitment on the consolidated revenue fund.

Mr. McIlraith: From the minister's explanation I am satisfied as to the intention of the government. However, I would point out that the bill does not express that intention. It does not make clear what is intended. For instance, it does not limit the wheat board to charging the producers merely with the usual employers' share of the cost of this scheme. If they wish to do so, under the legislation they are given authority to provide much more. I am wondering whether the minister would take a look at the clause in order to ascertain whether it accurately expresses what I believe the government has in mind in this connection. I wonder whether he would have a look at that clause. If it needs clarification and correction, possibly it could be done at a later stage in the procedure on the bill in the other place.

Mr. Churchill: Yes; we will have a good look at it. In connection with this proposed amendment may I point out that the approval of the governor in council is obligatory. Any scheme that comes forward from the wheat board would have to be considered by the governor in council. I would presume that the house would readily get the information at that time because of questions that would be asked, and so on, or statements that would be made by the minister.

Mr. McIlraith: I am willing to let the point go. However, I would draw the attention of the minister to the fact that, as the legislation is drafted, it is possible to put what would be quite an unfair charge on the producers. As the legislation reads, in this clause there is no protection for the producers on that point.

Mr. Churchill: The question that has been raised is an important one. If someone can come forward with a suggestion to modify line 19, we would certainly consider it. Whether we should put in there the employers' share, if that would be a clarification, or whether we should say "its share", I do not know.

An hon. Member: Let the clause stand.

Mr. Churchill: We might allow the clause to stand and proceed with the others. Perhaps within a matter of minutes someone might have a satisfactory solution.

The Chairman: Is it the desire of the committee that clause 2 stand?

Some hon. Members: Agreed.

Clause stands.

On clause 3—*Duration.*

(Translation):

Mr. Boulanger: Mr. Chairman, I should like to direct a question to the minister. Could he tell us how many grain elevators are under the control of the Canadian wheat board?

(Text):

Mr. Churchill: I think I gave that figure the other day with regard to delivery points. It is something over 1,900. Offhand I would say it is 1,960.

(Translation):

Mr. Boulanger: Does the government intend to create a transport board in order to control grain movement to eastern elevators, and at the same time the distribution of that grain in eastern Canada? I believe there was such a commission a few years back to look after grain storage and distribution. The establishment of such a commission was requested, I think, by the millers' association of the eastern townships as well as by the Catholic farmers' union.

(Text):

Some hon. Members: Carried.

The Chairman: Shall clause 3 carry?

(Translation):

Mr. Boulanger: Mr. Chairman, I asked the minister a question which, I hope, he will be able to answer.

(Text):

Mr. Churchill: Will the hon. member oblige me by repeating the question? I missed a word or two of it in the translation.

Mr. Boulanger: I will put the question in English, if the minister does not mind. I wish to ask the minister whether it is his intention to organize a transport commission in order to take care of the storage of grain in the eastern elevators of the country and to control the delivery of these grains. I am asking this question because a few years ago we had this commission and in the east the supply of feed grain was more adequate than it is now.

Mr. Churchill: It is not the intention to do as the member suggests. Although that is undoubtedly an important point, I think it would have to be raised at some other time and with regard to a different act. At the moment we are simply dealing with the

Canadian wheat board whose jurisdiction does not extend further eastward than the lakehead.

Clause agreed to.

On clause 4.

Mr. Argue: I should like to ask a question on clause 4 merely in order to get the opinion of the minister and the government. Some farm organizations—and I refer particularly to the national farmers union—have been asking that the Canadian Wheat Board Act be made a permanent one. I am not positive in my own mind just how that would be done if it were the intention of the government to do so, but I take it you would merely omit the termination date for these various pool periods and omit any termination date anywhere in the act.

I can see arguments both ways. I think what the producers have in mind is this. They want to be reassured that the Canadian Wheat Board Act is in fact a permanent statute and that there is no intention to bring it to an end. On the other hand, there is the argument on the other side that parliament every once in a while—by this amendment it would be five years from now—should have the chance to review the act. I can see good arguments on both sides. I am simply wondering whether the government has considered the representations of the national farmers union and what the thinking of the government is in making the termination date August 1, 1967.

I have no doubt that a future parliament prior to that date will extend the act for a further period. I cannot conceive of any government likely to be elected in this country throwing out the Canadian Wheat Board Act. Nevertheless the farmers in this country wish to be reassured that for all practical purposes this is permanent legislation.

Mr. Churchill: That question has been considered, Mr. Chairman. As a matter of fact, I discussed it with the Minister of Agriculture just the other day, and there are points in favour of removing the five year review and making the act permanent. I think the hon. member for Assiniboia is quite right, that no future parliament would destroy the wheat board. Nevertheless, in conversation with the Minister of Agriculture we reached the conclusion that there might be some advantage in bringing forward for review at five year periods the operations of the wheat board.

As a matter of fact, I read the debate that occurred five years ago on this subject and may I say that the hon. member for Assiniboia made a very good speech on that occasion. It was well thought out and, insofar as *Hansard* indicates, moderately delivered. There were no interruptions.

[Mr. Churchill.]

Mr. Argue: A different government.

Mr. Churchill: But a terribly worse government in those days. On reflection I think there is a little more in favour of the argument for periodic review rather than simply making the act permanent. At any rate, granting that there are arguments on both sides, we reached the conclusion that it was better to have the act brought before parliament again in five years time.

Clause agreed to.

On clause 5.

Mr. Argue: Mr. Chairman, clause 5 has to do with changing some words with regard to defining the separate account. I have read the clause carefully and it may clarify the provision for a separate account so-called in certain circumstances. I can see nothing of a substantive change in this clause.

However, at this time I do wish to get from the minister, if I can, information as to the amount of money in the separate account and the amount of money, if any, that has been paid out of the separate account during the last few years. In particular I should like to refer to one very large payment which, according to the annual report of the Canadian wheat board for the crop year 1959-60, was paid out of the separate account by authority of order in council P.C. 1960-519. The report contains this statement:

> On September 23, 1959, the out-shore annex of the United Grain Growers Limited terminal elevator "A" at Port Arthur, Ontario, collapsed. The collapse resulted in the loss of 1,194,760.1 bushels of wheat, oats and barley valued at $2,406,175.22.

From this information I take it that the United Grain Growers came to the government and said, "Look, we have had an accident. We have lost over $2,406,000. Will you help us out by taking $775,000 from the special account and making us this gift?" I am just saying that is my interpretation. If I am wrong, I ask the minister to correct me.

As I understand the situation, this special account originates from the fact that over the years, with so many grain producers accounts, some payments are not claimed; and with such huge sums of money involved in total over the years the moneys unclaimed have accumulated to a sizeable amount. I am prepared to listen to arguments and to say that I could be persuaded I am wrong, but my impression at this time is that this is not the best use to be made of these funds.

The minister can claim, and rightly so, that the United Grain Growers Limited is a farm organization and that this is a case of taking funds out of the special account in the general wheat board fund and paying the

money to a farmers' grain organization. I would also think that if a private grain company suffered the same kind of disaster it would have an equal claim, and I think it should have an equal claim for payment out of this fund. But if you are going to take funds out of a special account and pay them to grain companies I think that in itself is not the best use to be made of those funds.

I remember that when this legislation was first proposed years ago I said I would far rather see this money in the separate account paid into the general wheat board funds and go into the pockets of the grain producers in total. I suppose the only argument against that is that in relation to the total number of grain producers there is not so much money involved per grain producer and that it would be better to use the money in a chunk to greater advantage than to divide it among all producers. That is the argument on the other side perhaps, but I do not think it is valid in this case because the money has been paid to a group of grain producers instead of to all grain producers. I think this is a bad precedent and I hope it will not be followed in the future.

I want to say that I think that many of the uses to which this money has been put are excellent. Bringing over trade missions that may buy larger quantities of grain and using the money generally for the promotion of markets for all grain producers are good ways to use the money, but I do question the wisdom of making a handout, which is all it was in my opinion, to an elevator company even when that elevator company has suffered a disaster. I think this is not the right way to use the funds in this account.

I do not have the information that is available to the minister at my fingertips and I am prepared to be persuaded I am wrong. It may be because I lack some of the information that I have come to this conclusion, but I should like to hear from the minister what particular events or arguments persuaded the governor in council to take $775,000 out of this special account of the Canadian wheat board and pay it to the United Grain Growers.

Mr. Churchill: Mr. Chairman, this was one of the most difficult problems that faced me as minister with some responsibility for the wheat board in the year 1959 and the spring of 1960. It involved a great many meetings and consultations between ministers of the government and representatives of the United Grain Growers, a tremendous amount of work on the part of the law officers of the crown consulting with representatives from the United Grain Growers. The situation is now, of course, two years old. The settlement was reached two years ago.

However, the hon. member's query is a fair one. Should the money in the special fund be used for a purpose such as this? I tell you quite frankly that that was the question which was considered time and time again in the course of the many meetings that were held with regard to this problem. The problem arose as a result of the collapse of an elevator at the lakehead, one of the unforeseen hazards with regard to elevators. If my memory serves me correctly, at the time I asked if anyone could tell me of any similar occurrence in Canadian history. Relying again on my memory, I think they said no, other than the collapse of a wooden elevator that had grown very old. However, this was an elevator situation on the shore of the lake; the foundation gave way and the elevator collapsed. We are very fortunate that there was no loss of life because a ship was scheduled to arrive at the wharf for loading within a few hours of the collapse. Had the ship been tied up beside the wharf, the ship might have been destroyed, in addition to the elevator, and there may have been loss of life as well.

Well, we were faced with this situation, that there might have been litigation, a suit against the wheat board. The amount of money involved would have been tied up pending a settlement by the court, and that would have affected the final payment in the spring of 1960 for the earlier crop year. We had to consider this situation, that 50,000 producers, members of the United Grain Growers organization, would have to bear the entire cost and might therefore be embarrassed financially. A decision was reached to draw from the special fund, largely on these grounds: That the disaster which occurred only in one elevator and to one elevator company was unprecedented and unlikely to occur in the future; that it was something against which adequate insurance provision could not be made. In addition, we thought it was unwise to tie up the final payment by paying money into court until a settlement was reached. Then, too, we thought that spreading this unprecedented loss over a very large field by drawing upon the special fund might be the best way out of the difficulty.

Whether the decision was right or wrong, time alone will tell. I do not doubt but that it could be criticized on some ground. Perhaps other people would have made a different decision. We ended up by reaching what appeared to us to be a reasonable settlement and came to the assistance of 50,000 wheat producers who own their own elevator system, and placed no penalty on any producer in the country, because the special fund was of

such a size at that time that it was possible to draw upon it in that amount without interfering with the other uses to which the fund is put from time to time. I suggest that is the background of that particular incident, and our hope is that no such disaster will affect any of the elevator companies in the future or any of the producer organizations.

Mr. Argue: Has the minister any information as to the approximate amount in this special fund at this time?

Mr. Churchill: Yes, in the annual report it is given as $821,426.

Mr. Argue: What page is that?

Mr. Churchill: It is in exhibit No. 1.

Mr. Argue: I appreciate the answer the minister has given. I cannot express an opinion tonight on the legal questions involved. I have no idea, myself, as to the grounds upon which the United Grain Growers would press any claim for damages against the Canadian wheat board. However, I do think that the government should be most careful in using this fund for this kind of purpose. I do not see, myself, how this situation could have any real bearing on the final payment because the amount involved, a million dollars or so, just could not tie up the whole of the final payment which would be a much larger sum of money than that. I can see how it might tie up $2.4 million, but even then I think the wheat board could borrow the money within about 60 minutes if that were necessary, because the wheat board is handling huge sums of money and has assets probably hundreds of times greater than the $2.4 million involved.

I have a natural inclination to think of the individual grain producer. It is for this reason I have been putting forward these remarks tonight and stating the position of the grain growers as a whole as opposed to action which provided assistance for 50,000 grain growers out of almost 250,000. If the individual farmer who has to take his grain to the wheat board suffers a disaster on his farm, he foots the bill. The individual farmer has no recourse to anyone of whom I am aware. However, it is interesting to note that the Canadian Federation of Agriculture, in an appendix to its brief this year, set forth a policy asking for emergency loan legislation for individual farmers suffering a disaster.

I will read the first paragraph of this submission:

> Occasionally farming areas are struck by sudden natural catastrophes such as severe drought, large scale floods, storms of hurricane force, severe infestations of insects, plant diseases of epidemic proportions, severe frosts at certain periods for plant and tree growth and other natural hazards.

This is a new aspect of farm policy requesting extraordinary action in time of disaster to the individual farmer. Perhaps this scheme would be a difficult thing for the wheat board to administer. It would perhaps be difficult to make any of these moneys available to an individual farmer who suffers a disaster, but I put it to the minister that if a farmer loses one year's crop, this is a much greater disaster from his point of view than the disaster affecting an individual even though he be a shareholder in the United Grain Growers. Perhaps this could be made something of a revolving fund out of which moneys could be made available to help individual producers who face individual disasters.

The minister has given us an explanation of the long discussions that took place in making these moneys available. I shall not accuse him tonight of having made a wrong decision but I believe that in his own mind he certainly thought this was a borderline case. However, if errors are to be made I would prefer to see errors of judgment made on the side of helping the individual producer and not helping to bail out a grain company from a disaster, even though that grain company may be owned by producers. If it is United Grain Growers today it could be some other company tomorrow, and this fund could be used in a way which parliament never intended when the legislation passed through this house.

Clause agreed to.

Clause 6 agreed to.

The Chairman: We shall now revert to clause 2, which was suspended a few minutes ago.

On clause 2—*Group life insurance and group medical-surgical insurance plan.*

Mr. Churchill: We have now got some notes from the law officer of the crown to the effect that it is not easy to suggest a modification of the wording as it is now. If we say "its share" that begs the question of what share is precisely meant. The same objection arises in connection with the expression "employers' share." The only way to give certainty to the matter is to spell out precisely what share might be contributed, and this cannot be done until the plan has been worked out.

With the caution we have received from the hon. member for Ottawa West, perhaps we could pass this and watch it very closely when the board puts forward its scheme for the approval of the governor in council.

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the said bill be read a third time?

Mr. Pickersgill: Next sitting.

Mr. Churchill: Mr. Speaker, could we consider having third reading now. Since the bill has come forward without amendment it could be considered at this stage.

Mr. Pickersgill: I think the minister is quite right and I have no objection.

Mr. Churchill moved third reading of the bill.

Mr. Speaker: By leave of the house. Agreed?

Some hon. Members: Agreed.

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

CORPORATIONS AND LABOUR UNIONS

PROVISION FOR FURNISHING OF FINANCIAL AND OTHER STATISTICS

On the order:

Second reading of Bill C-38, an act to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada.—The Minister of Justice.

Mr. Alexis Caron (Hull): Mr. Speaker, I do not think it would be fair for the Minister of Justice or anybody else, to start the study of this bill at this late hour. May I call it ten o'clock?

Mr. Fulton: Perhaps, Mr. Speaker, with the concurrence of the hon. gentleman I might call it ten o'clock.

Mr. Argue: Yes, let the minister call it ten o'clock.

Mr. Speaker: As there is not much point in putting the motion, is it agreed to call it ten o'clock?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Chevrier: I take it that tomorrow we will go on with the estimates as announced by the minister on Friday?

Mr. Fulton: Good heavens, then I am not moving the adjournment of the debate.

Mr. Churchill: It is understood that the Minister of Justice did not move the adjournment of the debate, so that the bill will keep its place. The business for tomorrow, in view of the general interest in the house to complete the final supplementaries, will be the supplementary estimates.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, March 28, 1962

The house met at 2.30 p.m.

HOUSE OF COMMONS

WELCOME TO MINISTER OF AGRICULTURE ON RETURN AFTER ILLNESS

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, naturally I join with all hon. members in welcoming the Minister of Agriculture back to the house after his illness. May I add my own deep appreciation of the reception that has been given by hon. members opposite on this occasion, which is so revealing of the general attitude of parliament.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, we on this side join very warmly and wholeheartedly in the welcome that has been extended to the Minister of Agriculture on his return to the house, and we welcome especially his return to health. We do not always agree with the minister, but we on this side are glad to pay tribute to his invariable personal courtesy and kindness to all members, including members of the opposition.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to join with the Prime Minister and the Leader of the Opposition in expressing the delight of this group at the return to the house of the Minister of Agriculture whose illness, I am sure, was occasioned by his over attention to work and, shall I say, excessive industry.

PRESENCE IN GALLERY OF MEXICAN MINISTER

Right Hon. J. G. Diefenbaker (Prime Minister): My reason for rising, Mr. Speaker, is to draw your attention to the presence in the gallery of the Honourable Walter C. Buchanan, secretary of communications and transport in the government of Mexico. He is a most distinguished representative of a country with which for long we have had close and friendly relations. During the past few days he has visited various Canadian industrial plants and research establishments in this city, in Toronto and in Winnipeg. As the member of the Mexican government responsible for communications and transport he is particularly interested in Canadian scientific experiments in the ionosphere, in Canadian aircraft production and in telecommunications.

I know that I express the views of hon. members in all parts of the house when I say that we warmly welcome him for what he has done on behalf of good government within his own country, and for his attitude in international affairs. I should like him to convey to the president of Mexico, Mr. Lopez Mateos, and to the government and the people of his great country our warmest good wishes.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, on behalf of those on this side of the house I should like to share in and support the warm welcome which the Prime Minister has just extended to the minister of communications and transport from Mexico, and to echo the friendly sentiments the Prime Minister has expressed about the gentleman in question and the country he represents here today, a country whose hospitality some of us have had the privilege to enjoy.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the members of this group join wholeheartedly with the Prime Minister and the Leader of the Opposition in extending a welcome to our distinguished visitor from Mexico, the minister of communications and transport. We trust that his visit to Canada will be fruitful on his part and that as a result of his visit our government will learn something about the percentage of expenditure by the federal government of Mexico on highways in that country in connection with the states and provinces.

MISCELLANEOUS PRIVATE BILLS

FIRST AND SECOND REPORTS OF STANDING COMMITTEE—CONCURRENCE IN FIRST REPORT

Mr. R. J. McCleave (Halifax) presented the first and second reports of the standing committee on miscellaneous private bills, and moved that the first report be concurred in.

Motion agreed to.

TRADE

WHEAT—ANNOUNCEMENT OF ADDITIONAL SALE TO CHINA

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, at the outset of what I wish to say I should like to thank hon. members and yourself for the very kind welcome back to the house after my absence.

If I may be permitted to do so, I should also like to thank all hon. members and people generally across Canada who sent me their good wishes during the last two months.

I should like to say a special word of thanks to my colleagues the Prime Minister, the Minister of National Defence, the Minister of Veterans Affairs and the Minister of Fisheries, as well as my two parliamentary secretaries, for carrying during my absence some of the burden that normally belongs to me. I hope they will keep on helping me for a little while yet.

I have pleasure, Mr. Speaker, in announcing today the completion of an additional sale of one million long tons of wheat to China. Allowing for a tolerance of 5 per cent, this will amount to slightly in excess of 39 million bushels. The estimated value of this contract is approximately $75 million. This sale is part of a long term agreement which I announced in the house last spring. This latest sale is the sixth contract completed under the long term agreement which called for the purchase of up to 186.7 million bushels of wheat and 46.7 million bushels of barley. In summary, therefore, six individual contracts have been concluded to date under the long term agreement, totalling 108 million bushels of wheat and 26 million bushels of barley. In addition to these quantities purchased under the long term agreement, China purchased on a cash basis last spring 31.7 million bushels of wheat and 12.7 million bushels of barley.

Payment terms for the contract on the latest purchase of wheat are identical to previous contracts, namely 25 per cent cash and 75 per cent on 273 days' credit with interest. This transaction was completed within the $100 million credit guarantee made by the government to the wheat board to facilitate the sale of grain to China.

The bulk of the wheat will be shipped from west coast ports from June through December. This will assure a steady volume of exports from Vancouver for the balance of the year. A smaller volume of approximately 5.6 million bushels will be shipped from Atlantic and St. Lawrence ports in April and May respectively.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, we on this side welcome the additional sale that the minister has mentioned of grain to China under the original contract, the details of which we are still anxious to secure.

Mr. Arnold Peters (Timiskaming): We also welcome this new sale to China and appreciate the fact that it could be guaranteed under the original $100 million guarantee; and unlike some sales in the past we do not consider this to be peanuts but to be a very good grain sale at this time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*C.N.R. ADMINISTRATIVE PERSONNEL AND OPERATING COSTS

Question No. 299—**Mr. Badanai:**

1. How many vice-presidents, assistant vice-presidents, and assistants to the assistant vice-presidents serve on the Canadian National Railways?
2. How many automatic yards has the C.N.R. constructed, and what is the cost of each?
3. How much has centralized traffic control cost to date, and how much more is to be spent?
4. What is the rental cost to the C.N.R. each month for I.B.M. machines, and how much royalty is paid for each card used in these machines?

Mr. Martini: Mr. Speaker, the management of Canadian National Railways advised as follows:

1. (a) Vice-presidents—headquarters 11, regional 6.

(b) Assistant vice-presidents—3.

(c) Assistants to assistant vice-presidents —nil.

2. Two in operation; Moncton, $15.6 million; Montreal, $32.2 million.

Two under construction: Toronto, estimated cost $32 million; Winnipeg, estimated cost $23 million.

3. $14.6 million to end of 1961.

$6.8 million to equip unsignalled single track portions of principal traffic routes.

4. Not a fixed level each month. Rentals vary depending on the number of hours of usage of certain machines beyond normal business hours also on the number and type of units used across the system. There is no royalty paid for cards used in I.B.M. machines.

SMALL POST OFFICE CONSTRUCTION

Question No. 304—**Mr. Racine:**

How many small post offices has the Department of Public Works built in each province during the last fiscal year; and what are, for each such post office, the operating revenue or deficit and the population served?

Answer by: **Mr. Hamilton (Notre Dame de Grace):**

See attached statement showing (a) Province; (b) Location; (c) Postage revenue; (d) Households served (population details not known).

Province and Location	Postage Revenue 1960-61	House-holds Served
Nova Scotia		
Lawrencetown	$ 6,694.37	399
River Hebert	4,762.88	398
Reserve Mines	4,345.48	414
New Brunswick		
Centreville	5,042.47	435
Blacks Harbour	12,605.48	438
Quebec district		
Desbiens	5,623.62	396
Langevin	4,124.39	266
Matapedia	4,821.00	294
Pont Rouge	8,510.36	874
St. Jean de Dieu	5,480.39	381
St-Prosper-de-Dorchester	6,159.03	623
St. Raphael	5,045.52	587
Abbotsford	4,216.09	401
Frelighsburg	4,769.53	234
St. Donat de Montcalm	7,915.30	377
St. Sauveur des Monts	9,768.98	611
Valcourt	7,306.22	413
Val David	4,335.27	305
Weedon	6,573.02	417
Parent	6,959.73	290
Quyon	3,360.47	320
Ontario		
Pakenham	3,228.70	348
Portland	3,747.50	235
Azilda	4,659.80	557
Caledon East	4,349.86	379
Drayton	7,113.99	343
Dublin	3,816.35	295
Fort Erie P. Stn. B.	28,819.04	145
Gogama	3,808.26	199
Delaware	12,779.05	207
Drumbo	4,031.82	378
Plattsville	8,563.24	217
Longlac	8,512.20	311
Manitoba		
Eriksdale	3,758.64	228
Ethelbert	4,241.17	429
McCreary	5,639.35	337
Plum Coulee	3,535.67	384
Riverton	5,459.97	283
St. Claude	3,497.64	324
Wawanesa	12,688.57	256
Winnipeg Beach	4,823.57	277
Saskatchewan		
Blaine Lake	5,538.61	485
Borden	3,004.72	277
Choiceland	3,746.96	351
Churchbridge	3,698.10	292
Delisle	4,112.16	210
Hodgeville	3,888.93	262
Jansen	2,283.69	172
Kyle	5,657.38	362
Mossbank	4,876.04	291
Norquay	6,783.58	389
Radisson	3,864.92	292
Southey	4,706.22	399
Theodore	3,990.02	327
Alberta		
Barons	4,895.33	265
Breton	3,374.38	331
Donalda	3,552.56	317
Elk Point	7,016.98	313
Hines Creek	6,698.74	381
Onoway	7,161.07	438
Ryley	5,679.46	338
British Columbia		
Harrison Hot Springs	7,019.36	369
Matsqui	3,754.57	462
Fruitvale	6,790.84	533

Questions

*JOB PLACEMENT FIGURES

Question No. 318—**Mr. Fisher:**

1. How often does the Department of Labour or the unemployment insurance commission issue figures on job placements?

2. What were the last two totals given in such releases?

3. Did these two totals include only people placed in new jobs (or jobs new to them), or did they include people who were called back to work after lay-offs, the call-back being handled through the national employment service; and, if the latter is the case, how much of the given totals in each case was for those who were placed in jobs new to them by the national employment service?

Mr. Thrasher:

1. Figures on placements are normally released monthly in the Labour Gazette and in occasional press releases.

2. The February, 1962 edition of the Labour Gazette showed December, 1961 placements at 96,503. The December edition of the Labour Gazette showed a cumulative total for the first 10 months of 1961 at 924,844. A news release issued by the unemployment insurance commission on January 4 showed preliminary total placements for 1961 at 1,119,855.

3. Placement totals included people placed in new jobs, or jobs new to them, as well as people who were called back to work through the national employment service. Precise data are not available as to the proportion of total placements which relates to persons placed other than by reason of being called back. It is estimated, however, that persons placed in new jobs, or jobs new to them, amount to about 90 per cent of the total placements.

*WATER SHIPPING IMPROVEMENTS, MIRAMICHI RIVER

Question No. 322—**Mr. McWilliam:**

Has the Minister of Public Works received a request from the Miramichi port improvement association for an interview in connection with a request for water shipping improvements on the Miramichi river; and, if so, has a time and place been set for the interview?

Mr. MacLean (Queens) (Acting Minister of Public Works): The answer to the first part of the question is yes. The department has suggested Aprill 4 or 5, in Ottawa.

IMPORTS OF COMMODITIES COVERED BY AGRICULTURAL STABILIZATION BOARD

Question No. 324—**Mr. Pitman:**

What was the quantity and value of all commodities, covered by the agricultural stabilization board, imported during the fiscal year 1960-61?

Answer by: **Mr. Morris:**

I. Available statistics on imports of commodities covered by the agricultural stabilization board, fiscal year 1960-61:

Questions

Class No.	Description	Unit of Qty	Quantity	Value
125	Potatoes n.o.p.	Lb.	284,197,877	$ 8,253,145
162	Beans, soya	Bush.	15,024,474	31,888,920
168	Oats	Bush.	1,893	7,405
174	Wheat	Bush.	2,985	7,538
2260	Turkeys, dead or alive n.o.p.	Lb.	5,270,106	2,007,773
2281	Milk and cream, fresh	Gal.	113,549	298,541
2282	Butter	Lb.	224	135
2284	Cheese	Lb.	13,603,422	6,803,996
2325	Eggs in the shell	Doz.	1,190,450	2,222,389
2337	Honey	Lb.	2,219,014	347,514
3261-3263	Wool, raw	Lb.	18,177,736	11,841,307

II. Separate statistics are not available on imports of barley, sunflower seed, sugar beets, hogs, lambs or steers.

*LEVER BROTHERS—USE OF BILL OF RIGHTS

Question No. 326—**Mr. Pitman:**

1. Has the federal government been contacted by Lever Brothers (Canada) in regard to the use of copies of the Canadian Bill of Rights in connection with the promotion of Stripe tooth paste?
2. Has the federal government made available to Lever Brothers (Canada) any substantial number of copies of the Canadian Bill of Rights for this purpose; and, if so, how many copies?
3. What was the total cost of production of these copies?

Mr. Balcer: The answer to part 1 is no. The answer to part 2 is no. The answer to part 3 is "not applicable".

*UNEMPLOYMENT INSURANCE CLAIMANTS

Question No. 327—**Mr. Robichaud:**

What was the total number of active claimants for unemployment insurance benefits as of February 28, 1962, 1961, and 1960 respectively?

Mr. Thrasher: The number of active claimants as of February 29, 1960, was 814,241; as of February 28, 1961, 872,842; and as of February 28, 1962, this figure is not yet available.

*ELECTRICAL GOODS—DUMPING DUTY EVASION BY SUBSIDIARY COMPANIES

Question No. 328—**Mr. Benidickson:**

1. Is there information before the Department of National Revenue that subsidiaries of Canadian electrical goods manufacturing and distributing companies, incorporated outside Canada in low tax-rate jurisdictions, purchased electrical goods in the United States at prices below the fair market value as prescribed by the valuation provisions of the Customs Act in effect since September 6, 1958, and transferred their rights in the goods so purchased to the parent Canadian companies without the application of dumping duty contemplated?
2. If so, how many Canadian companies are known to the Department of National Revenue to have used subsidiary companies for this purpose since September 6, 1958?
3. Does the government contemplate any action with respect to this situation?

[Mr. Morris.]

Mr. Nowlan:

1. The Department of National Revenue has information to the effect that some Canadian manufacturing companies, including a few which are engaged in the manufacture and distribution of electrical products, have been importing goods produced in other countries through intermediate companies incorporated outside of the jurisdiction of Canada. Wherever this situation can be construed legally as a relationship of principal and agent, the Department of National Revenue has refused to recognize transactions between them to be at arms' length, and appropriate dumping duty has been applied.

2 and 3. Answered by above.

WIDENING OF ENTRANCE TO WOOD ISLAND HARBOUR, P.E.I.

Question No. 332—**Mr. Pickersgill:**

1. What was the amount of the contract let to eastern enterprises to widen the entrance of Wood Island harbour, P.E.I.?
2. Will the work be completed at the contract price without extras?
3. How many men are employed on this project at the present time?
4. How many inspectors are engaged in this project?
5. Is it still contemplated that the work will be completed by June 30 or is a further extension in contemplation?

Answer by: **Mr. MacLean (Queens) (Acting Minister of Public Works):**

1. $479,048.

2. No extra work on this contract is anticipated.

3. 15.

4. Three; one on dredging and blasting in the entrance channel, one on wharf construction, and one on blasting and drilling associated with the wharf construction.

5. It is expected that the construction portion will be completed by June 30. Present indications are that the demolition and dredging portion of the contract will not be completed before September, 1962.

NEW POST OFFICE BUILDINGS, REVENUE RANGE $15,000-$20,000

Question No. 334—**Mr. Benidickson:**

1. At what localities has the government constructed or provided estimates for the construction of new public buildings to accommodate post offices where annual postal revenues prior thereto had been within the range $15,000 to $20,000 for the five fiscal years 1958-59 to 1962-63 inclusive?
2. What was the actual or anticipated capital cost for each such building (a) for land (b) for building and equipment?

Answer by: **Mr. MacLean (Queens) (Acting Minister of Public Works):**

1 and 2 listed below:

Location	Land	Building and Equipment
Actual		
Altona, Man.	$ 4,000	$48,422.21
Barrhead, Alta.	7,500	40,122.10
Caledonia, Ont.	11,000	40,697.50
Parksville, B.C.	4,040	25,819.00
Anticipated		
Minden, Ont.	11,700	30,000.00
Red Lake, Ont.	3,500	30,000.00
Stayner, Ont.	12,300	40,000.00
Raymond, Alta.	5,000	40,000.00
Aldergrove, B.C. ...	8,300	35,000.00
Gibsons, B.C.	6,500	35,000.00

*FEASIBILITY SURVEY, CHIGNECTO CANAL

Question No. 339—**Mr. McWilliam:**

Is it the intention of the government to include, in a further supplementary estimate for the year 1962-63, the sum of $2,300,000 to cover costs of a full-scale survey of the engineering feasibility of tidal power and canal construction of the proposed Chignecto canal?

Mr. MacLean (Queens) (Acting Minister of Public Works): The federal government has not yet had an opportunity to review the preliminary engineering report on tidal power prepared by three consulting firms for the government of New Brunswick, nor have we received New Brunswick's proposals concerning it. Until such a review has been made, the government is not in a position to make a decision regarding a full scale survey on the engineering feasibility.

QUESTION PASSED AS ORDER FOR RETURN

TRANSPORT EXPENDITURES, PETERBOROUGH ELECTORAL DISTRICT

Question No. 325—**Mr. Pitman:**

What has been the total expenditure of the Department of Transport in the federal electoral district of Peterborough in each of the past 10 years?

MOTIONS FOR PAPERS

METHOD OF AMENDING CONSTITUTION

Motion No. 2—**Mr. Pickersgill (for Mr. Chevrier):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence exchanged between the Minister of Justice and the attorneys general or other provincial ministers since July 1, 1960, regarding the method of amending the constitution of Canada.

Mr. Fulton: Mr. Speaker, we are prepared to accept this motion subject to one or two reservations or observations. First, in anticipation of the opening of this session I wrote to the provincial attorneys general on January 9 asking if they had any objection to the production of this correspondence. I have received no objection, with the exception of Quebec, to which I will refer in a moment, and accordingly propose to table the correspondence for the period up to January 9 when I asked for the views of the provinces.

With respect to the province of Quebec, there is unfortunately an objection from that province to the production of one of my letters to Mr. Gerin Lajoie. I am hopeful that this controversy can be resolved in the very near future and I will then table the correspondence with the province of Quebec, up to a date a little later than January 9. Because of the discussions we have been having, it will be necessary to table the later correspondence in order to make the picture clear. I hope to table the correspondence with all the other provinces very shortly, and shortly thereafter the correspondence with the province of Quebec.

Mr. Pickersgill: I take it from what the minister has said that there is no correspondence with the other provinces between January 9 and 18?

Mr. Fulton: There is some, but it is really in the nature of continuing negotiations, and I do not feel I should produce correspondence beyond the date for which I asked for consent.

Mr. Pickersgill: That is agreeable.

Mr. Speaker: Subject to the reservation expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

LOT 19, JUNCTION GORE, GLOUCESTER TOWNSHIP

Motion No. 35—**Mr. McIlraith:**

That an order of the house do issue for a copy of the report declaring the land (being part of lot 19, Junction Gore, Gloucester township) surplus as referred to in order for return, sessional paper 194. tabled on the 14th of February, 1962.

Mr. O'Hurley: Mr. Speaker, with the agreement of the hon. member for Ottawa West (Mr. McIlraith) this motion stands.

Motion stands.

AMOS-MATTAGAMI HIGHWAY, QUEBEC

Motion No. 36—**Mr. Paul (for Mr. Martel):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of all agreements, contracts, and other documents relating to the construction, under the roads to resources program, of the Amos-Mattagami highway including a copy of the contract entered into by the province of Quebec or the department concerned and the general contractor who carried out these works; a list of names and addresses of persons who worked for the general contractor and the provincial department concerned on the construction of the said highway; a list of subcontracts given out by the general contractor in connection with these works and the names of individuals or companies having rented equipment, by the hour or on a contract basis, for the carrying out of the general contract or the subcontracts in question; a list of suppliers, and the names of those who recommended them to the general contractor or the subcontractors.

Mr. Dinsdale: Mr. Speaker, this motion is acceptable subject to the concurrence of the province—

Mr. McIlraith: It has not been moved yet; it is not before the house.

Mr. Speaker: Has Mr. Paul leave to move this motion for Mr. Martel?

Some hon. Members: Agreed.

Mr. Speaker: Mr. Paul, for Mr. Martel, seconded by Mr. Pigeon, moves:

That an humble address—

Mr. McIlraith: Before you put this motion, Mr. Speaker, I should like to raise a point of order and draw your attention to the fact that the first part of the motion asks for certain copies of agreements, contracts and other documents relating to the construction, under the roads to resources program, of the Amos-Mattagami highway. It then goes on to say, and these are the important words:

—including a copy of the contract entered into by the province of Quebec or the department concerned and the general contractor who carried out these works; a list of names and addresses of persons who worked for the general contractor and the provincial department concerned on the construction of the said highway;—

And so on. It will be noted that this part of the motion relates to a matter that is the responsibility of the provincial government. I must say I was somewhat amazed to observe that such a notice of motion appeared on the order paper, since it relates to the production of provincial government documents and not to the production of federal government documents. I wish to draw the matter to Your Honour's attention because I think it will be granted that within its own field of jurisdiction the province is sovereign.

Mr. Fulton: Mr. Speaker, I think before we deal with that case we would have to know what the situation is. It is my understanding that the situation is that when a joint roads to resources project is agreed to, one of the terms is that the contracts will be produced to the federal government with the relevant information asked for here. As I say, that is only my understanding of the situation. It was, I think, with that in mind that these words were included in the motion.

Mr. Speaker: In the absence of the mover and in view of the doubt about the matter, unless the Minister of Justice is prepared to assure the house in this respect—

Mr. Fulton: No, I am not, Mr. Speaker.

Mr. Speaker: —I think the motion might stand until the next time, and perhaps the house then could be advised whether there is a right on the part of the federal government to produce these documents. There may be a contractual right, but it is not apparent on the face.

Motion stands.

NEW FEDERAL BUILDING, FORT WILLIAM, ONT.

Motion No. 37—**Mr. Badanai:**

That an order of the house do issue for a copy of all correspondence since January 1, 1961, between the Minister of Public Works and other persons and associations outside the government, regarding the construction of a new building to house the unemployment insurance commission and a new post office in the city of Fort William.

Motion agreed to.

ORDERS FIXING DUTIES ON IMPORTS

Motion No. 38—**Mr. Pickersgill (for Mr. Benidickson):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of rulings, directives, regulations, and prescriptions of the Minister of National Revenue, and also orders in council issued under authority of sections 39, 40, 40A, and 40B of the Customs Act (as amended by chapter 26, Statutes of Canada 1958); and a copy of ministerial orders issued since April 17, 1961; under the provisions of section 38 of the Customs Act for the purposes of fixing duties on imports.

Mr. Nowlan: Mr. Speaker, perhaps the hon. member would allow this to stand until I have the opportunity to discuss it with the mover; because there are some limitations, I think.

Mr. Pickersgill: Certainly.

Motion stands.

ILLUSTRATION OR EXPERIMENTAL STATION, THUNDER BAY DISTRICT

Motion No. 39—**Mr. Badanai:**

That an order of the house do issue for a copy of all correspondence since January 1, 1958, between the Minister of Agriculture and other persons and associations outside the government, regarding any operation or plans of the Department of Agriculture dealing with illustration stations or the establishment of any permanent experimental station in the Thunder Bay district (more particularly in the vicinity of Port Arthur and Fort William).

Mr. Hamilton (Qu'Appelle): We have no objection, Mr. Speaker.

Motion agreed to.

ADMINISTRATION OF JUSTICE

REPORTED ACTION IN U.S. COURTS AGAINST ROYAL BANK

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Minister of Finance whether he has any comment to make on the legal action taken by the United States government against the Royal Bank of Canada in New York regarding a payment by that bank of certain moneys to the Castro government in Cuba?

Hon. Donald M. Fleming (Minister of Finance): No, Mr. Speaker.

WATER RESOURCES

INQUIRY AS TO EFFORTS TO OVERCOME SEA POLLUTION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Northern Affairs and National Resources. In view of the fact that the three week conference on oil pollution in the sea held in London was informed that oil pollution has not increased substantially around the United States since 1955 but is much more serious around Canada, could the minister inform the house what additional efforts he is making to counter this unfortunate development under free enterprise, and to ensure that Canadians may regain the freedom to enjoy unpolluted waters?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, as this subject comes under the responsibility of my colleague the Minister of Transport, I would suggest that the hon. member direct his question to him.

Mr. Herridge: Mr. Speaker, is the Minister of Transport prepared to answer?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I know that my department is exerting strong efforts in fighting pollution. For the time being I shall accept the hon. member's question as notice.

AGRICULTURE

DAIRY PRODUCTS—REQUEST FOR DETAILS OF SUPPORT PROGRAM

On the orders of the day:

Mr. G. H. Doucett (Lanark): Mr. Speaker, I should like to ask the Prime Minister whether he has any announcement to make with respect to the details of the dairy support program as indicated last Thursday.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. gentleman gave me notice of his intention to ask this question. It will be recalled that when the announcement was made last Thursday the Acting Minister of Agriculture stated that the stabilization board had been instructed to enter into discussions with producer and industry representatives with respect to the details of the new program, and that following these discussions a full announcement of the details would be made. There will be an announcement as to details and any modifications which may be agreed on following consultation with various representative groups.

There have been a number of these representations made to date with regard to this program, and when the consultations have been completed the house will be made fully aware of the details.

Hon. Paul Martin (Essex East): A supplementary question, Mr. Speaker. Has the Prime Minister received any request from the fluid milk producers for a meeting with the government regarding this program?

Mr. Diefenbaker: I received communications from various groups of milk producers, and my recollection is that they will make representations. I am not able to answer specifically the question asked by the hon. gentleman, but my recollection is that discussions will take place not only among representative groups but also particularly among the milk producers themselves.

PUBLIC WORKS DEPARTMENT

REPORTED LAY-OFF OF EMPLOYEES OF DEVELOPMENT AND ENGINEERING BRANCH

On the orders of the day:

Mr. Maurice Bourget (Levis): Mr. Speaker, I should like to direct a question to the Acting Minister of Public Works. Can the minister explain the sudden lay-off at the beginning of the construction season of a considerable number of the members of the staff of the development and engineering branch of the department?

Inquiries of the Ministry

Hon. J. A. MacLean (Acting Minister of Public Works): Mr. Speaker, I shall be glad to take this question as notice and provide an answer to the hon. gentleman.

(Translation):

IMMIGRATION

ADMISSION OF FRENCH CITIZENS FROM ALGERIA

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I should like to put a question to the Minister of Citizenship and Immigration, of which I gave her notice. Could the minister inform the house whether she received representations concerning the admission to Canada of French citizens from Algeria? If so, does the government intend to take special action in this respect?

(Text):

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I received the notice after I entered the house and have not had an opportunity to check with my department, but to the best of my knowledge no representations have been received. Certainly none had been received last week when I made some inquiries myself. However, if representations are made from any source, of course, the matter will be very carefully considered.

NORTHERN AFFAIRS

DAWSON, Y.T.—EXPENDITURES ON RECONSTRUCTION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of Northern Affairs and National Resources a question arising out of a very recent article in *Maclean's* magazine which states that the department of northern affairs is pouring more than $400,000 into the reconstruction of Dawson city, not only in relation to Arizona Charlie's but also in relation to two saloons and a mortuary. I wanted to ask the minister—

Mr. Speaker: Order. Before the hon. member proceeds may I say the question appears to me to relate directly to the estimates of the department and, in addition, to estimates which were discussed in this house within the last two or three days.

Mr. Fisher: If I may speak to the point, there is nothing in the supplementary estimates coming up under which we can broach this. The indication given by the minister last week in discussing the relevant estimates was that the expenditure would be of the nature of $200,000. Because of the exciting increase in the expenditure plus the objectives of the increase I thought it would be in order for me to direct the question to the minister.

Mr. Speaker: I should think the hon. member would be well advised to defer a question of that kind until the estimate is offered. It is obvious the expenditure will not be made until the estimate is offered.

HOUSING

REPORTED DECLINE IN STARTS IN FEBRUARY 1962

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I have a question for the Minister of Public Works but in his absence perhaps I could direct it to the acting minister. In view of the 16.6 per cent decline in housing starts in February, 1962, as compared with February, 1961, is the government contemplating any measures to assure that housing construction will not fall below last year's level?

Hon. J. A. MacLean (Acting Minister of Public Works): Mr. Speaker, I shall be glad to take the question as notice, but I would say in passing that any changes in government policy will be announced in due course.

Mr. Garland: If I may be permitted to do so, I should like to ask a supplementary question. In view of the continuing need for better housing accommodation for low income Canadians, has the government any explanation why no loans for limited dividend projects were made by C.M.H.C. during February, and for the reduction so far this year which amounts to about 99 per cent?

Mr. Grafftey: That is a statement, not a question.

An hon. Member: Order paper.

Mr. MacLean (Queens): I will have this matter looked into, Mr. Speaker.

POWER

BRITISH COLUMBIA—APPLICATION OF BILL OF RIGHTS TO EXPROPRIATION LEGISLATION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Justice. My question is related to the bill of rights and not to the bills of expense that are being questioned. With reference to my question on Monday, would the Minister of Justice now be in a position to state whether the provision in an amendment to legislation introduced by the government of British Columbia forbidding recourse to the courts is contrary to the bill of rights or ultra vires?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I am not in a position to make any report on this matter beyond what I said on Monday. However, as I have seen in the press certain references to my answer, I think I should remind the hon. member that of course the bill of rights was carefully drawn so as to apply only to matters within federal jurisdiction.

IMMIGRATION

ADMISSION OF SKILLED WORKERS UNDER NEW REGULATIONS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of Citizenship and Immigration a question. Now that two months have elapsed since the new immigration regulations came into effect, can the hon. lady say whether any considerable number of skilled workers have yet been admitted who would not have been admissible under the old regulations?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): The short answer is no, I cannot say, Mr. Speaker. However, the hon. member knows that these people do not come in 10 minutes. The regulations went into effect only on February 1.

Mr. Pickersgill: Evidently the hon. lady did not understand my question. I said "two months", not "ten minutes".

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to ask the Minister of Finance whether he is in a position to advise us as to the date on which he expects to bring down the budget.

Mr. Pearson: He is in a position to do it, but he will not do it.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I can assure the hon. member that the sooner we get through with the supplementary estimates, the better the essential business of the house will be expedited.

Mr. Pickersgill: Can the minister say that the supplementary estimates are really holding up the presentation of the budget?

Inquiries of the Ministry

HEALTH AND WELFARE

REQUEST FOR STATEMENT OF GOVERNMENT POLICY ON MEDICAL CARE INSURANCE

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to ask the Minister of National Health and Welfare a question. Now that the sessions of the royal commission on health services are just about completed, may we expect before the dissolution of the present parliament an announcement by the government of what it proposes to do with regard to medical care insurance?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I think the hon. member for Essex East answered his own question by indicating that the sessions are not yet completed.

Mr. Martin (Essex East): Postponement again; procrastination.

(Translation):

HOUSE OF COMMONS

ALLEGED CONTRADICTION IN STATEMENTS BY GOVERNMENT SUPPORTERS

On the orders of the day:

Mr. Azellus Denis (St. Denis): May I ask the Associate Minister of National Defence a question? As reported in the press day before yesterday, he is alleged to have said during a meeting in Laval that the Liberals had a socialist program while the member for Laval, who also attended the meeting, is reported to have said that the same program had been implemented by the Conservative party.

(Text):

Mr. Speaker: I think the hon. member might seek an answer to that question after dissolution.

(Translation):

Mr. Denis: I simply wanted to know which of the two was right, the minister or the member for Laval, when speaking on the same platform about the same question.

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I think both were right. It is quite true that the Conservative government has achieved several of the things the Liberals had included in the platform they announced at their January 1961 political convention.

As to comparing our hon. friends to the socialist party, they are themselves the victims of their actions. As long as they behave like socialists, they will be considered as such.

(Text):

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

DEPARTMENT OF AGRICULTURE

Administration branch—

675. Departmental administration—further amount required, $77,500.

(Translation):

Mr. Boulanger: Mr. Chairman, has the minister a statement to make? Since he has not, I would like to say a few words about this item and examine the present state of Canadian agriculture.

I have done so on many previous occasions, but there are some matters we have not had a chance to discuss.

When we analyse our agricultural situation today, we find a certain bitterness among that class of people who, after having chosen the most humanitarian calling of all, do not receive the reward they deserve for their efforts to maintain the standard of living of the Canadian people.

In fact, the income of the farmer is decreasing every year. His family income is not sufficient to maintain the morale of the head of the family, and that is why, each year, thousands of families leave the farm and join the ranks of the unemployed in our cities.

This agricultural stagnation has been increasing since the present government has been in power.

The Prime Minister (Mr. Diefenbaker), who posed as the champion of the farmers during the electoral campaigns of 1957 and 1958, has forgotten his promise to give the farmers their fair share of the national income.

The two ministers of agriculture who have successively been in charge of the department and have talked and talked in praise of the farmers and promised them higher incomes, are now concerned with other things—one has to decide for or against nuclear arms and has not made up his mind yet, while the other, unfortunately, has gone into enforced silence, a fact we all deplore.

I take this opportunity to say how pleased we are to see the Minister of Agriculture (Mr. Hamilton) among us today.

Mr. Chairman, before referring to the detrimental situation of our farmers, analysing its causes and making the necessary recommendations, I should like to give the house some expert opinions, for the benefit of those members who have accused me, as well as my colleagues here, of wishing to set western farmers against eastern farmers.

My statements in this house faithfully reflect the opinion of all agricultural experts and all eastern farmers in Canada.

In an article published in *La Terre de Chez Nous*, on May 24, 1961 we read the following:

> The federal government is spending hundreds of millions of dollars each year for western producers. So much the better for them, if those expenses can be justified. On the other hand, eastern producers are entitled to a fair treatment, through an intelligent and consistent use of a few million dollars which Ottawa is spending for them on grain.

In another article published in *L'Action Catholique*, on August 19, 1961 we read the following:

> Would Mr. Diefenbaker have any objection to letting us know how many farmers we will have to sacrifice on his account, and how many plants will have to go out of business, before he goes to the trouble of taking the train to come and see for himself the extent of the damages caused by a shortsighted farm policy. Perhaps we could add that any other minister would do just as well—we are not so exacting as those western chaps who seem to have the nerve of calling the Prime Minister over for any trifle.

I would have other articles to quote but I will let the matter rest for now as my time is somewhat limited.

I will therefore confine my remarks to the present situation of agriculture.

On the basis of d.b.s. returns, it is noted that the net farm income for the fiscal year ending in March 1961 was $1,006 million, which is the lowest farm income since 1957.

Now, if we take the net average income for the last five years, we see that it was $1,185 million whereas the average of the last ten years before that period, that is from 1949 to 1956 inclusive, was $1,459,300,000. This means that, since the Conservative government came into power, the net farm income has been $274 million lower than during the last ten years of the Liberal administration.

Going on with our analysis, it is easy to find that the 232,000 farmers in the three prairie provinces, according to the 1956 census, shared in 1960—a normal year—a net income of $706.5 million, or $3,000 per capita, while the 343,000 farmers of the eastern provinces and those of British Columbia earned an average income of slightly less than $2,000 per capita.

It is true that in 1961, western farmers only had a net income of $1,600 each, because of the drought.

But if, during the other years, farm income fell, it was due to the failure of this government to exercise that price spread control promised by the Prime Minister.

The price index for goods and services bought by farmers shows, for the period from 1956 to August 1961, an increase of 40.2 per cent, whereas the index for farm products increased from 234.6 to 243.5. Practically, it means that goods and services for which the farmer paid $100 in 1956, cost him $114 in 1961. On the other hand, for each $100 of products he sold in 1956, he only got $103.75 in 1962.

Yet, the Prime Minister said on May 16, 1958, in Manitoba:

(Text):

—to farmers whose average family income has dropped from $3,600 to $3,000 since 1951, while the average income across Canada has risen from $4,100 to $4,900.

(Translation):

What will the Prime Minister tell the country's farmers about farm income a few months from now? If he is sincere, he will have to say that the individual farmer's net income has gone down from $3,000 to $2,000 and $1,600.

I should now like to say a few words concerning the dairy industry. At this moment, the situation as we find it is worse than ever before, due to the incompetence and lack of interest shown by the government in dealing with the dairy industry problem. If other emergency measures are not taken immediately, on top of the 12 cents per pound subsidy recently granted to butter producers, we shall find that industry on the brink of bankruptcy.

In eastern Canada, dairying represents the most important sector of the farming industry, the gross value of its production reaching a billion dollars.

Capital investments and outlays support that industry require tens of millions of dollars each year. The 1,900 different industries engaged in processing and distribution of milk products pay out $117 million each year in salaries to their 133,000 employees.

For us, in the province of Quebec, that is the main income of the farmer, since that industry represents 42 per cent of his farm income while in Ontario, it is only 21 per cent. It is 25 per cent in New Brunswick, 29 per cent in Nova Scotia and 17 per cent in Prince Edward Island.

It is in fact the main sector of farm activity since its gross production exceeds that of wheat, beef cattle, hogs, or that of any other sector of the farm industry.

Now, what is done to support that farm sector and to maintain the buying power of the people engaged in it?

The government has had a few acts adopted since 1958, among others the one dealing with price stabilization of farm products which reflects, after having been in force for four years, the sterility of the agricultural thinking of the ones who introduced it. That act to stabilize the prices of farm products received royal assent on January 31, 1958.

In its preamble, which I shall not read, it was said, among other things, that the act would protect farm income. The theory expounded in the preamble is very well drafted, but it cannot be said it is practical in its application, because the aim of that act was to influence the vote on the eve of a general election.

On May 1, 1958, the price of butter was raised from 58 cents to 64 cents a pound. That was before the general election. At that time, there was a surplus of 25.2 million pounds of butter, and at the end of the year, that surplus had increased to 79.3 million pounds.

Consumption, of course, decreased by one and a half pounds per capita. At the end of 1960, we had a surplus of 125.5 million pounds of butter. Again consumption dropped, and at the end of 1961, there was a surplus of 200 million pounds of butter.

That decrease of 4½ pounds of butter per capita in the last three years is due to the fact that the retail price of butter was too high as compared to the price of margarine.

The decrease in consumption started four years ago, and the government did nothing to correct the situation.

The consumer was left at the mercy of dairy products' prices.

Actually, it is the workers and the heads of families who made up for the carelessness of the most biased government this country has ever had.

However, as the consumers are not always taken in, they have been buying margarine instead of butter. They refused to buy 70 million pounds of butter in the last three years, and, as a result, there was a 25 per cent decrease in the sale of that commodity, while the population increased by 2.7 per cent.

Is the farmer to blame for having increased his production? We could hardly blame him for improving his production technique and

for following the instructions and advice of high officials and agricultural experts of the government.

We should rather congratulate him for having followed the advice which was the only way in which he could lower his production costs. If the government is logical, if it finds that surpluses are a nuisance, why not close down agricultural schools and set up launching pads on our experimental farms.

What use was made of the Agricultural Stabilization Act to maintain the price of skim milk powder? Here again, the government has violated the spirit of the law since it provided that the prices of agricultural products were to be established one year in advance.

Even on the eve of the general election, skim milk powder was selling for 12 and 15 cents. On May 1, 1959, those prices fell to 8 and 10 cents a pound respectively. Four months later, that is on September 30, 1959, price support was abolished entirely. That is when the price of skim milk powder went down as low as 4½ cents and 5 cents a pound. Today many manufacturers are on the brink of bankruptcy following the losses they had to bear concerning the sale of that commodity and the storage expenses they had to pay.

The price of milk which was $3 per hundred pounds in a large sector of the province of Quebec, in 1957, is now only $2.75, even if you include the subsidy of 25 cents per hundred pounds.

Besides, the government established a sales agency which met on seven occasions. It was abolished in May 1961. I ask the minister to tell the house why it was decided to dissolve that organization whose purpose was to promote the sale of butter and farm products.

During the 22 years of Liberal administration, agriculture was never in such a state of chaos as it has been for the last five years.

The price support policy established by the Right Hon. Mr. Gardiner was flexible and in line with the needs of consumers and foreign markets.

The Liberal administration applied itself mainly to maintain our domestic market which has always been the most important. In a few years the Conservative government has destroyed what it had taken the Right Hon. Mr. Gardiner 22 years to set up.

Our domestic market was disrupted through the inefficiency of the authorities in the agriculture department, and we will have to pay hundreds of millions of dollars to restore order.

[Mr. Boulanger.]

It seems that there would be no advantage in trying to resume our trade with Britain, since the price of butter there is 31 or 32 cents a pound. We know that Denmark is the largest supplier of butter to the British and that she intends to spend an amount of $1,140,000 to increase her sales to England.

Due to the drought in the prairies last year, the net income of western farmers was reduced, but one must not forget that the eastern provinces also suffered a drought in the form of a drying up of the agricultural good sense of our leaders.

The right hon. Prime Minister has repudiated his promise to give back to the farmers the share of national income to which they are entitled. When the present government has completed its term of office in a few months, it will go down in our political history as the government whose prime minister and two ministers of agriculture have most wronged our agricultural population, namely the 350,000 producers in eastern Canada.

In 1961, $150 million were paid in subsidies to agriculture to assist about 2½ million people living from it. But are we aware that $2,400,000 were paid out in 1959 and $1,900,000 in 1960, to assist deficit gold mining, in order to keep 16,000 men at work? Are we aware also that during the 1959-60 fiscal year, more than $15½ million were granted to coal mines in this country, whose labour force is only 11,500?

No doubt we are justified to help those industries whose production reached $156 million in 1960 for gold and $76 million for coal.

But is it not as justifiable to help an industry whose production reaches $2.8 billion?

What does the government intend to do to correct the situation? Why is it waiting to take action, following the advice given by the opposition and all agricultural organizations in Canada? It is not competent enough to find an adequate solution and it hopes that time will settle things.

Yet, the situation of agriculture could be improved if we took the trouble to develop a rural planning program, such as the Liberal party has developed.

In fact, the basis of such planning is the fact that the abundance of farm products is a blessing from Providence and an instrument

we can use, both within and without our country , to fight hunger, misery and poverty, which are causing so much trouble in various countries.

Our farmers deserve the greatest tribute for their efficiency in increasing their production.

It is inconceivable that, through arbitrary measures, we should try to curtail it, when one third of the population is suffering from hunger and millions of children are dying of starvation each year.

The second principle is the following: the government should rely to a greater extent on farm organizations in the preparation, at the initial stage, of farm legislation and programs designed to improve the income of the farmers so that their standard of living may at least equal that of the working class. This obviously requires that two essential conditions be met by the farmers, and the government.

(a) The unification of the large farm organizations under a single authority which would become the one official voice entitled to speak to the federal government on behalf of the farmers. This would not necessarily exclude provincial or regional organizations, nor those made up of producers of special crops such as beets, soybeans, etc.

We were glad to hear that the country's two largest farm organizations have entered into negotiations which, it is hoped, will result in their unification.

(b) The setting up by the government of an advisory commission at both the federal and the provincial levels whose terms of reference would be to study farm matters. That commission could prepare a report each year and make recommendations according to the needs of each sector of farm production.

It is at that level that the planning policy should be discussed and the issues could be varied but comprehensive, since they would affect the production, the distribution, the processing and the marketing of farm products.

I think that marketing of farm products is the main point of a planning policy, since it is the phase the farmer is the less informed about. That is why, in the Liberal party platform, we advocate the setting up of a regular information service to work hand in hand with an independent research council which would promote the development of new food products and their marketing on both domestic and foreign markets.

At the present time we have recommendations to make to the government, which are of international scope and deal with the creation of an international foodstuff organization, similar to those already in existence for wheat and sugar.

That organization would play the part of a buffer in the distribution and pricing of agricultural products on the world markets.

There are other important principles which make up the planning policy of our party, but as I have not enough time to go into details, I will merely summarize them:

The improvement of the Agricultural Prices Support Act. That is to say, this act will have to be made flexible enough to permit the pricing of agricultural products in relation to their cost and the financial needs of the farming families.

Thus emergency measures should be taken immediately to safeguard the main industry of eastern Canada, the dairy industry.

Our party recommends—and intends putting it into practice—a system which would set a reasonable price for farm products and promote the marketing of these products, both on the domestic and foreign markets, and a program of milk distribution in schools.

In the United States, 80 per cent of the children in the public schools have access to some kind of catering service. In Canada, we have practically nothing of the sort.

Here are other policies advocated by our party: the improvement of crop insurance; easier credit for the improvement of livestock, drainage, for the consolidation of establishments, and to ease the transfer—

The Chairman: I am sorry to interrupt the hon. member, but his time is up.

(Text):

Mr. Bell (Carleton): If I might just say a word, the genial hon. member for Drummond-Arthabaska in my submission is under some misapprehension as to the nature of this particular vote. The principle of the main vote has been approved, and the issue before the committee essentially is the wisdom or otherwise of increasing the expenditure for the particular purposes which are set forth on page 13 of the book of estimates.

The additional requirements arise chiefly from increased travelling and removal expenses, mostly of international missions, including grain sales promotions, and intensified activities in relation to FAO, OECD and GATT. The issues which my hon. friend raises are ones which I should be glad to debate

with him on another occasion when I might express myself with somewhat greater vigour than I do when I appear before the house in the role of suppliant.

Mr. Pearson: Mr. Chairman, we are on a supplementary item of the Department of Agriculture, namely departmental administration, and of course as my hon. friend knows, under this item it is customary, whether in supplementaries or main estimates, to discuss the whole question of departmental administration. This is, I think, particularly relevant at this time when we have no assurance at all that we will be given another opportunity to discuss the Department of Agriculture.

I point out that when we were discussing the third set of supplementary estimates we did at least have ministers in the committee whom we could question about the departments under consideration. We are now on agriculture. The Minister of Agriculture is not in the committee. The acting minister is not here. There are two parliamentary secretaries in the Department of Agriculture, neither of whom is present. The Minister of Finance is not here. We are delighted to have the parliamentary secretary to the Minister of Finance here, and presumably he is going to bear the burden of the government debate on further supplementary estimates totalling $138 million. Mr. Chairman, I claim that this is not good enough in the discussion of such important matters as we are facing at this time in this committee.

Mr. Bell (Carleton): Mr. Chairman, may I say to the Leader of the Opposition that the practice in the past, the practice in the government in which he was a member was that the Minister of Finance conducted the final supplementary items. Because of a matter of urgent public business the Minister of Finance must be absent this afternoon, and I hope the committee will be indulgent with me while I try to fill the role in accordance with what has been the customary practice.

Mr. Martin (Essex East): Mr. Chairman, on the point that has been raised by the Leader of the Opposition, it is not a question of the suitability of the parliamentary secretary, in the circumstances; that is not in issue. What the Leader of the Opposition pointed out was that we are dealing with supplementaries totalling a large sum of money at a time when we are possibly engaged for the last time before an election in the discussion of items having to do with various departments of government. We certainly are not going to have an opportunity of dealing with departmental estimates as such in their usual form until after this parliament will have been dissolved. That being the case, we are presented with a situation altogether different from what may have attended former practice —if in fact it is the practice, and that I doubt this very much—on other occasions.

Today, as the Leader of the Opposition has pointed out, we are discussing the departmental administration of the Department of Agriculture; and not only that, but afterwards we will go into atomic energy, citizenship and immigration, the civil service commission and a whole series of items on external affairs. The parliamentary secretary is in the unhappy position today, of having to discharge this responsibility, I believe without proper status before the committee—

Mr. Bell (Carleton): Not at all unhappy.

Mr. Martin (Essex East): Not unhappy, but ignorance is bliss when it is folly to be wise. The hon. member is happy possibly because he cannot be expected to know about all of the items covering the departments that are before us.

As the Leader of the Opposition has said, we do not even have the Minister of Finance with us. We have only the leader of the house—he is the only minister in the committee—and when we look at the government benches we find perhaps no more than 25 Conservative members in the committee at the present time.

Mr. Crouse: That is not true.

Mr. Martin (Essex East): That is a fact; and this at a time when we are beginning to discuss important items concerning proposals for expenditure by this government. The Minister of Agriculture obviously cannot be in his seat. We saw his condition today and it would be inhuman and most unfair to expect him to be here. We are not asking that the Minister of Agriculture be here; but there is an acting minister of agriculture in the person of the Minister of National Defence.

Mr. Pearson: And there are two parliamentary secretaries.

Mr. Martin (Essex East): There are two parliamentary secretaries, as the Leader of the Opposition has reminded us. One of them has just come in, because undoubtedly he was called in by the alert whip, who himself is not in the committee at the moment.

Mr. Crouse: This is untrue.

Mr. Jorgenson: Mr. Chairman, I think I ought to correct the hon. gentleman—

Mr. Martin (Essex East): You can correct me after I have finished.

Mr. Jorgenson: On a point of order—

Mr. Martin (Essex East): There is no point of order.

The Chairman: What is the hon. member rising on?

Mr. Jorgenson: Mr. Chairman, the hon. member is accusing me of not being here. I have been here. I went up to my room to take a couple of aspirins because I had a headache. In the meantime somebody called me and I was delayed for a few minutes. I may say that I got the headache from listening to the hon. gentlemen opposite.

Mr. Martin (Essex East): I must say, Mr. Chairman, that was not a point of order, and if I may say so with respect, that should have been indicated.

The Chairman: It is hardly fair to expect the Chair to know before the point of order has been stated. The hon. member has stated his point, whatever it may be, and the floor now belongs to the hon. member for Essex East.

Mr. Martin (Essex East): I am sorry if the hon. member was ill. He said he went up to his room to take an aspirin.

Mr. Jorgenson: That was because of listening to you.

Mr. Martin (Essex East): I am sure he is not the only one on the other side of the chamber who will be taking aspirin after the next election. But the point is, we are discussing public business. Hon. members may have legitimate excuses for being out of their seats, as I am sure the parliamentary secretary had, who just intervened. However, that is not the point. We are discussing public business and we have the right to have in this chamber the ministers concerned with the various departments. We discussed the third supplementaries a few days ago. Each minister was in his place. The Minister of Finance, or the parliamentary secretary to the Minister of Finance, did not conduct the affairs of the government—

The Chairman: Order—

Mr. Martin (Essex East): —and surely we are entitled—

Some hon. Members: Order.

An hon. Member: Order. The chairman is on his feet.

The Chairman: Order. I believe the hon. gentleman has the right to discuss matters concerning agriculture, but I do not think it would be proper at this stage to discuss the past attendance of hon. members in this committee. I do not think that is at all relevant at the moment. I know that the hon. member will get back to this item.

Mr. Martin (Essex East): With great respect to Your Honour, I was not discussing the past attendance of ministers; I was discussing the fact that when we are dealing with supplementary items, as we are now, on the eve of a general election we have the right to have in the committee the responsible ministers for the departments concerned so we can put questions to them. We are not discussing past attendance; we are discussing the obligation of ministers of the crown, particularly when they come to parliament and ask parliament to give them money to carry on the various projects which they recommend.

If I were now to ask the parliamentary secretary questions about what is the sugar policy of the government of Canada with regard to sugar beets I would be greatly surprised if even so competent an hon. gentleman were able to give the kind of reply which thus far this session we have not been able to get from the Acting Minister of Agriculture or from either of his parliamentary secretaries.

I say to you, Mr. Chairman, this is the way this government regards parliament; this is the way it treats the public business and this is a further example of the arrogant way it has been acting toward parliament, particularly during this session.

Mr. Argue: Mr. Chairman—

Mr. Bell (Carleton): Mr. Chairman, I only want to say one or two words, and in somewhat different temper and tone than that which the hon. member for Essex East has adopted. The situation is that he has attempted to draw a comparison between supplementary estimates generally and the final supplementary estimates. The hon. gentleman said that on the last occasion supplementary estimates were before the committee each minister was here. That is true, and that has been the practice. However, the general practice of the house over a period of years has been that the final supplementary estimates should be taken by the Minister of Finance. That has been departed from on perhaps one or two occasions, but not more, to my knowledge.

The situation is that the Minister of Finance has been called away on important public business. If the hon. gentleman wishes to ask me for any information of a detailed nature, I will certainly either give him the answer or endeavour to get the answer for him as quickly as possible. I submit that there is no substance to the attempt of the hon. gentleman to suggest that in some way there has been a departure from what has been the traditional practice and procedure of this committee in the past.

Mr. Pickersgill: Mr. Chairman, I would like to say a word in reply to the hon. gentleman concerning the point he has made on the point of order. The hon. gentleman talked about the practice when the previous government was in office. There is some substance in what he says about the final supplementaries when the previous government was in office, but when the previous government was in office the supplementaries were genuine supplementaries.

Some hon. Members: Oh, oh.

Mr. Pickersgill: They were the result of shortfalls in the original estimates. They were nothing like what we are being treated to in this parliament at this time.

I have in my hands figures for the further supplementary estimates showing the totals for the whole five years from the year ending March 31, 1953 to the year ending March 31, 1957 inclusive. The previous government in those five years brought in by way of further supplementaries $357 million. That was in a five year period. This is the fourth lot of further supplementaries introduced by this government this session and already the total for this year is $341 million, in further supplementaries, almost as much as in five years under the previous government.

The Chairman: The hon. member seems to be embarking on a debate right now. I had recognized the hon. member for Timiskaming.

Mr. Pickersgill: I am speaking about the point of order raised by the parliamentary secretary.

Mr. Bell (Carleton): I raised no point of order.

The Chairman: I understood the hon. member was raising a point of order. If he is, I will listen to him, but he should state his point of order and not begin to initiate another debate which to my mind would be foreign to the item before the committee. If the hon. member has a point of order I shall listen to him and if he has not I shall give the floor to the hon. member for Timiskaming.

Mr. Pickersgill: My point of order has relation to the privileges of the house and particularly to the rights of the opposition in the house. In a moment I wish to cite a very celebrated authority on this particular point, an authority who I am sure will impress hon. gentlemen opposite. But first of all, sir I wish to draw your attention to the fact that we have a different situation here and I feel I have illustrated it rather graphically, when you think that in one single year we have had further supplementary estimates totalling $341 million. That is not all, sir. Just recently we considered further supplementary estimates No. 3. We now have $8 million being asked for for the same branches of departments which were up in the last lot of supplementaries. The same items are again involved. It seems to me that is evidence of the financial disorder that makes it necessary to have the ministers present to explain these items.

The Chairman: I still do not see any point of order in what the hon. member has said. The hon. gentleman referred to estimates that have been passed. I do not think it would be in order to bring them back before the committee in this debate. I would therefore call on the hon. member for Timiskaming.

Mr. Pickersgill: Before you call on the hon. gentleman may I request that you hear the authority I wish to cite about the way in which the government is treating us.

The Chairman: I am willing to hear the authority the hon. gentleman wishes to cite but I am not quite clear concerning the grounds upon which this authority is being brought forward.

Mr. Pickersgill: The ground is the very simple ground that an attempt is being made by a method of pressure on the part of the government to prevent a full and adequate discussion with full and adequate opportunities being provided us to obtain information before the voting of supply.

The authority I wish to quote is the hon. member for Prince Albert speaking in this house on April 11, 1957 when the right hon. gentleman, as he is now, said:

> As I look back over the records of parliament when parliament was discharging its responsibility and maintaining its prestige, when estimates were carefully examined and critically condemned if improperly included among those presented, and compare that situation with the situation today, I can only say that this method of placing so many hundreds of millions of dollars of expenditure before parliament is a further insult and humiliation to this institution and to its prestige.
>
> Indeed, I say this. It is a contempt of parliament to deny consideration except as provided in this general manner. We in the opposition have been willing throughout to co-operate.

Those words may be applied to this side of the house. We have offered co-operation at every stage but we do not feel that we should be gagged. A little later on—

The Chairman: Order. I believe this is a matter of debate. It is not relevant and it is not a point of order. I therefore must recognize the hon. member for Timiskaming.

Mr. Bell (Carleton): That statement was made on interim supply.

Mr. Pearson: Exactly.

Mr. Pickersgill: Exactly, and you are going to try to give us an hour for that.

Mr. Bell (Carleton): That statement was made on interim supply and has nothing to do with this.

Mr. Peters: Instead of having a discussion of the estimates of the Department of Agriculture it would appear that we are again having a discussion of Beauchesne's, which is not unusual in this committee.

I should like to know from the acting minister whether it is because of his ability in the field of agriculture that he is now piloting through these estimates. I believe we are having our last opportunity to speak on the estimates pertaining to the Department of Agriculture. Certainly the present incumbent of the office appears to have as much authority as anyone to state what is the agricultural situation in Canada today. Before referring to what has been said by the government in this respect I wish to quote a statement made by the hon. member himself in relation to agriculture:

New stabilization legislation has provided highest support prices. Payments to agriculture—1953-57—$363 million; 1957-61—$706 million or an increase of 95 per cent.

That statement may be found in a pamphlet entitled "Report to the Electors of Carleton" published by the hon. member for Carleton.

This is not without support from the economic division of the Department of Agriculture. They point out that:

During the first nine months of 1961, farm cash income from the sale of farm products reached the all time high of $2.12 billion. This estimate is 4 per cent above the corresponding figure in 1960—

I wonder whether this is fact or political speculation. I leave the answer up to the voters of Canada rather than the acting minister. I leave it to the voters to determine whether this is political speculation or fact. I question the right of the department in publishing this statement in the bulletin concerning the current review of agricultural conditions in Canada to draw the conclusions that are drawn. They are certainly not in keeping with the opinions of those in the agricultural community I represent or of those in other agricultural communities with whom I am in contact. On page 2 the following statement is made:

With increased national production, rises in labor income and higher farm cash income in 1961, and only a modest rise in the consumer price index for food, the year appears to have shown a general improvement.

It goes on to say:

Farm cash income: During the first nine months of 1961, farm cash income from the sale of farm products reached the all time high of $2,120.0 million. This estimate is 4.0 per cent above the $2,039.7 million obtained in the same period of 1960 and 3.1 per cent higher than the previous record high of $2,056.8 million established in 1959.

What is involved is pointed out:

Major contributions to the increase in farm cash income from 1960 to 1961 were made by wheat, flaxseed, tobacco, cattle, calves, hogs, dairy products, poultry products and Canadian wheat board participation payments.

I want the committee to remember that included in the major contributions are products of the dairy industry. We are not questioning whether or not these statements are exact, but in doing some homework on this subject I examined figures from 10 or 12 different publications and found, although they were all taken from the dominion bureau of statistics figures, with very few exceptions did they bear any similarity. I presume it depends on how you use the figures, what application they have and what is considered in making up the figures. It is easy to say that farm income has gone up if you forget to say you are using a gross figure and that the net income is lower than it has been for many years in relation to many commodities.

Last evening we said we were happy that western agriculture appears to have solved most of its problems. It will be agreed that the gross income position of farmers will be improved as a result of large wheat sales reducing our national surplus of this commodity. The sales of grain to China and Poland have had a beneficial effect. It is important to remember that important sales have been made to new markets. The acting minister can take some credit for the fact that the Department of Finance—although it is questionable how it did it—has been able to give a guarantee which made these large sales of farm products possible.

I am pleased to note that today a further sale was indicated and that the original guarantee was sufficient to cover that sale. I wonder what this means. Does it mean that western Canada has had better representation than has eastern Canada? Or does it simply mean that the problem in eastern Canada is more diversified and therefore much more difficult to understand? I frankly think this may have been the case. Some of the things we have endorsed, because of this strong representation from western Canada, are not necessarily so advantageous to some of the eastern producers; and certainly some of the other Conservative solutions to problems of agriculture have not been necessarily advantageous to all producers in the country. I should like to mention only one or two facts.

The system we have used for community pastures and community feeding in western Canada has had a detrimental effect on feed

production in the province of Ontario. I think it is also true that the changes we made in this feed and grain act a year or two ago may have been advantageous to western producers but that they have not been advantageous in eastern Canada. While we are not in disagreement on the reason why these things have been done, I would also note that consideration has been given to one area in the Canadian production at the expense of some of the other areas. I think this is probably the prime reason why, when the next government is formed in this country, if the New Democratic party forms the government, there will be an eastern minister of agriculture for the first time in a long while and he will bring more uniformity to the legislation throughout this country. I think one of the things that will happen immediately will be the establishment of a national marketing board. From listening yesterday to the western members we know that they are not opposed to this idea.

Mr. Pallett: What does Mr. Douglas say about that?

Mr. Peters: I doubt whether Mr. Douglas will be personally involved in that office. He certainly will have something to say about who gets it. I have not committed him in any way, shape or form as to who the incumbent will be. I am only saying that I am sure there will be a rather different distribution than there is at the present time.

From listening to the discussions yesterday, we know that many of the members from western Canada are not opposed to national marketing boards which, in the final analysis, offer a solution for most of the problems we have in agriculture today. We know that with respect to wheat we have engaged satisfactorily in operating marketing legislation that has been advantageous to the producer, to the consumer, and certainly to the country itself through the export program. I think there can be no argument about the matter. Perhaps I should not go that far, Mr. Chairman, because I know there is some argument. I was surprised that the hon. member for Greenwood should state that he was opposed to national marketing boards because they limit, direct and regulate. I was surprised that he should say he was opposed to them basically for this reason. I would suggest that most members from western Canada who have an interest in the development of this national marketing agency have agreed that there must be regulations; that control must be exercised over production; that there must be an equalization of payments across the country and the indication of an end price that will be competitive in the world market if we are to sell a major portion of our commodities on the international market.

We in eastern Canada know that one of the greatest problems affecting agriculture is to be found in the dairy industry. That industry has been allowed to grow haphazardly in all directions. I think the farmers of eastern Canada are to be congratulated on the direction it has taken with so little assistance from government. We are now a large producer of dairy products. We produce so many of them that the government is now in the same position as that in which they were a year ago in the matter of wheat. They are worrying what they are going to do about the surpluses of these commodities. Last year milk production in Canada amounted to 19.2 billion pounds, an increase of about 4 per cent over 1960. All the provinces contributed to this increase in production except Manitoba. The national dairy herd had grown by 74,000 cows or 2.3 per cent by June 1, 1961, compared with the same date in 1960.

The fact that in eastern Canada last year we also had favourable weather meant that we were in a position to be able to increase our production and therefore to increase the surpluses that were piling up in certain commodities. One of these commodities to which the government has been asked to give consideration is butter. Many suggestions have been made as to what should be done about the surplus in dairy products. If you have followed them over the last five or six years, Mr. Chairman, you will know that the national dairy council and the component parts of it have been very much interested in each bringing forward a solution that will be satisfactory with regard to their particular commodities. These solutions have included the pooling of all fluid milk and equalization payments being made from one commodity group to another. Each of these solutions has met with some success and certainly with some resentment from members of their own organization and from the government. The national dairy council in recent months have been concerned particularly with butter. It should be pointed out that the situation that we have in Canada of a large surplus of creamery butter is not unlike the situation that has happened in other countries according to the World Dairy Statistics Digest which incidentally is a booklet that is not available in Canada. It is not available in the public library here and I understand it is not available from the Department of Agriculture. However, they point out that most dairy producing nations face the same difficulties as those with which Canada is faced. For example, the combined production of New Zealand and Australia increased from 35,000 tons a year in the first half of 1950 to about 400,000 tons since that time. They

go on to point out that each of these countries, and particularly those countries that are dealing with the largest available market, namely the market of Britain, have been suffering difficulties over the last number of years, and that these difficulties are increasing.

What did the government do about the matter? A year or so ago the government were asked to allow the producers in Ontario—I refer to the fluid milk producers in Ontario—to pay a subsidy to other segments of the industry so that the amount of surplus fluid milk could be fitted into the whole dairy program. When they came to Ottawa and asked for the government's assistance in this co-ordination plan, they were told that the federal government could not give them authority until they were licensed as a marketing agent of the province of Ontario. When they went back to the province of Ontario, the provincial government informed them that as far as they were concerned they were licensed far enough as an agency to be acceptable to the federal government. With this background the dairy farmers themselves or the Ontario milk producers set up an inquiry and went into the whole matter of marketing and the pricing of milk and cream in Ontario. Last September they established a marketing committee consisting of David MacFarlane, professor of economics, faculty of agriculture, McGill University, A. W. Wood, associate professor, department of economics, University of Manitoba, and John W. Carncross, professor of agricultural economics, Rutgers University, New Brunswick, New Jersey. They examined the situation and made certain specific recommendations to the Ontario milk producers. Their major recommendation was the establishment of an integrated marketing plan with a high degree of co-ordination of the policies of the several producer groups. They recommended that there be a central producers board and went on to say:

> It is also judged advisable that the whole milk producers league be reorganized as a marketing board.

It is estimated that the cost of operating the board would probably amount to one-fifth or one-fourth of a cent per 100 pounds of milk or milk equivalent of cream. They suggested that the various dairy requirements be divided into groups and that consideration be given to all of them in a fairly uniform manner. The national dairy farmers of Canada presented a special committee report in Toronto on October 20, 1961, in which they pointed out the seriousness of the surplus butter situation and referred to certain things that they suggested should be done about it. This finally resulted in the request of the Canadian Federation of Agriculture for a subsidy of 14 cents a pound on the price to the consumer.

On March 23 the government made an announcement that it was prepared to pay a subsidy of 12 cents a pound effective May 1 next with the idea that such a subsidy would tend to eliminate or at least curtail the amount of the surplus which at January 1 last was estimated to be 197 million pounds. The Ottawa *Journal* of March 23 points out that about a quarter of this amount is in converted butter oil for which no economic use has been found, and the rest is in whole butter.

At that time I asked the minister if the government had any intention of giving additional aid to the whole milk industry as an industry rather than as a commodity group. I did so because everyone connected with the whole milk industry knows it is one that has made great use of technological advances and through such technical changes is now able to produce more milk per cow than is the case in any other segment of the industry. Because they have improved milk production to this extent they have found that particularly during the spring, summer and fall when the cattle are on pasture they are producing more milk than the established quotas call for. This milk cannot be absorbed and this means that the surplus has gone into the production of butter and cheese.

There is a desire on the part of the whole milk industry and the commodity groups to try to integrate the surplus whole milk production into the whole industry so that it will not cause the large overproduction of butter. The acting minister may not be aware of how much this has affected the industry but certainly it has had a terrific effect. On occasion, production has been very close to 10 per cent over normal production of fluid milk. In 1960 surplus production amounted to about 15 per cent. This is a very important factor in the production of butter and in my opinion it has to be taken into consideration if we are going to solve the problem.

I wonder whether the farmers themselves have not failed to give consideration to something that is even more basic to the whole problem. There are certainly many figures available, in fact so many that it is hard to keep track of all of them. We know that in recent months there has been a terrific increase in the consumption of margarine and it seems to me that so far as the butter industry is concerned margarine is the most fundamental factor in the problem and also with regard to overproduction in the other segments of the fluid milk industry. In my view the government has a responsibility in this field.

The federal government is going to pay a subsidy of 12 cents on the price of butter to the consumer. I am very curious to find out, and I think most people will be, on what ground the government assumes that the consumer will get the full benefit of the subsidy. I have discussed this matter with several people who are negotiating milk contracts in the Ottawa area, and they have pointed out that in the last few weeks dairies have informed them that they need two or three cents more to take care of their rising overhead. I wonder whether they are not going to take their two or three cents first. Is it unreasonable to expect that the retailer, who has never been averse to taking his cut on any product he handles, will also take another two or three cents? If the subsidy only amounts to seven or eight cents by the time it gets to the consumer, then I think the aim of the government in paying this subsidy will not be met.

In my view now is the time for the government to sit down with representatives of the national dairy council and decide what they are going to do about margarine. Most of the margarine production is by soap companies. Many of them are large producers of margarine. We know that margarine was introduced in this country because of the fact that during the war dairy production did not keep up with the demand and there was a shortage of butter at that time. For this reason a teriffic impetus was given to the production of margarine.

We also know that the increase in the consumption of margarine came at a time when the price of butter increased, and the higher the price of butter goes the more will margarine be consumed. We are also informed that the production of margarine is a very lucrative field for the companies manufacturing it and that there is a spread of 15 or 20 cents between the cost of production and what the consumer pays. I think the amount of money involved in this spread could quite easily be used to subsidize the consumption of butter if the government would control the production of margarine in conjunction with the whole dairy industry.

The farmers are now opposed to margarine and their opposition is shown by the necessity of having to colour margarine; but margarine is a basic commodity for many people in Canada who are in no position to pay 65 to 70 cents per pound for butter. I think the farmers would be in a more advantageous position if they would advocate the use of some of the large profit on the production of margarine to subsidize the production of butter. In this way it would be possible to reduce the price of butter to the consumer because the government would have taken over regulation of the retail price of these commodities.

If the government does not regulate the retail price of butter at the present time, then I fail to see how they are going to get this 12 cents into the consumer's pocket which the dairy council hopes will mean an increase in the consumption of butter. The consumption of butter has fallen off somewhat, and it is hoped that this incentive will restore consumption to a point where it is more nearly in line with production.

I do not know whether or not everyone is aware of it, Mr. Chairman, but within the last year the production of margarine and other spreads has increased by 2.4 per cent in the month of December to 15,097,000 pounds from 14,743,000 pounds in December, 1960. On a full year basis, production amounted to 183,480,000 pounds, which was 10.4 per cent greater than the 166,641,000 pounds produced in 1960. The production of margarine and these spreads has been increasing steadily since they were introduced in 1949, and at the same time the consumption of butter has been decreasing. I believe these are very serious times for the dairy industry, Mr. Chairman. We all know that subsidization is not the ultimate answer. We have to arrive at a better system. Subsidization has been carried on not only in this industry but in others and we have seen it carried to the extent where a surplus of the product has been built up and we have not accomplished what we sought to accomplish.

Mr. Brunsden: What is the alternative?

Mr. Peters: There are many alternatives. The logical one is to sell the commodity. We found this was true in so far as western Canada was concerned. If it had not been for the fact that we were able to sell wheat, and if there had not been a drought, we would not have been paying the farmers of western Canada one dollar an acre but we would have been paying them $2 or $3 per acre. I think the fact the government did finally decide to push the marketing agency to the point where it was able to sell wheat, was the best answer. Canada is reaping the benefits of these international sales. In so far as dairy products are concerned, we are in a position where we can produce far more in this country than we are able to use. I completely disagree with those people who think we can double or treble the consumption of a particular agricultural product. I know that most people who can afford butter are going to use enough of it to satisfy them. I do not really believe they will use twice as much butter merely because the price is reduced, so this

is not the answer. If people are not getting any butter and are now buying margarine, the reduction in price will obviously induce them to use some butter. However, I do not believe those who are already using butter will double the amount they are now using.

I think the answer to this problem lies in something which the hon. member voted against the other day.

Mr. Brunsden: Oh, no.

Mr. Peters: Yes, he and every other member of his party voted against marketing boards.

Mr. Brunsden: I rise on a question of privilege, Mr. Chairman. The hon. gentleman is implying that those of us who were here and who represent agricultural regions are against national marketing boards. We are not. We voted yesterday for the wheat board. We believe in national marketing. My friend has been talking about fluid milk, apparently without any comprehension of the fact that fluid milk marketing is a provincial concern and not a federal concern.

Mr. Peters: On February 20 of this year, seconded by the hon. member for Vancouver East, I moved an amendment to the address in reply to the speech from the throne. It read in part:

> This house regrets that Your Excellency's advisers have failed to give—

The Chairman: Order. I believe the hon. member is getting out of order because he is reviving a debate that has already been settled in this session.

Mr. Peters: I only wanted to read the amendment against which the hon. member had voted. I am sure that if the hon. member had considered the matter he would know that his party had already made a decision on this particular matter in a way the Canadian public can easily check. I know that many of the agricultural commodity groups in this country are in accord with the views I have expressed, namely that in Canada we need national marketing agencies that will not only market one commodity on an interprovincial basis, as is being done now for many commodities, but we need marketing agencies large enough to handle the exportable surplus of any product.

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

Mr. McMillan: I think all Canadians are concerned about the 170 million pounds of surplus butter, and about the fact this surplus is likely to continue to increase under the floor price. I know this is a very difficult problem for the government. I believe last Thursday the government announced that they would be making a distinction between two classes of farmers, namely those who produced milk primarily for the butter market and those who produced milk for household consumption.

When I was home lately I found there was considerable confusion amongst the producers as well as the distributors of milk. I know that today the Prime Minister announced there would be some consultation with producers, I believe. I hope that some announcement will soon be made in this connection. I found that the people who were most disturbed were those who were producing milk to be sold to distributors for household consumption. They were concerned that their deliveries might be cut down and their prices cut. There is a distributor at home who has a moderate sized plant, buying about one hundred cans of milk a day for distribution. Up until a few months ago he used his surplus milk to produce butter which he sold at 64 cents a pound, thus contributing to the butter surplus. He became interested in increasing the market for milk products and started to make whipping cream out of his first grade surplus cream. He sold this whipping cream at 75 cents a quart on the week end, and disposed of over 100 quarts a week.

Now, I know that the price of whipping cream in the half pint and pint sizes is about double that price, but he certainly established a big market. This particular distributor claimed that selling whipping cream at 75 cents a quart gave him about the same return as he would have received if this cream had been turned into butter and sold at 64 cents a pound. This resulted in his withholding a lot of butter from the surplus butter market. In that small area this one distributor is withholding over 100 pounds of butter a week, or about 500 pounds a month from the market. This seemed rather novel to me and I think it is at least some proof that we might be able to increase the marketing of butter fat before it becomes butter. Certainly in that case it has been proven it can be done when the price is appealing enough to the public.

I do not pretend to know anything about the economics of the production and distribution of milk products, and I am not taking dietary considerations into account. The question also poses itself as to whether with an increase in the sale of whipping cream there might be a decrease in the sale of butter, but in the instance I have cited I have been told they did not cut down their butter sales, and did not appreciably cut down their sales of whipping cream in the smaller half pint and pint containers at the original price.

I do not know whether the government has given any consideration to this aspect of marketing milk and milk products. I heard the hon. gentleman to my left say that their sale comes under provincial jurisdiction. I believe that the decrease in the selling price of butter will encourage its consumption but in so far as we have to put up a lot of money to buy this surplus butter it behooves the federal government to give consideration to the sale of butter fat before it is manufactured into butter. In view of the fact that in one small area a single distributor has been able to take 500 pounds of butter a month off the surplus market, I wonder could it be done in other parts of Canada. I have never heard of its being done elsewhere.

(Translation):

Mr. Racine: Mr. Chairman, I want to make a few remarks on the item under consideration, in view of the fact that, as it was said a moment ago, it is probably our last chance to do so.

I want to discuss two questions which are of particular interest to me: the advertising agency of the dairy industry and the possibility of increasing milk distribution in schools.

On March 12 instant, the hon. member for Drummond-Arthabaska (Mr. Boulanger) asked the Minister of Agriculture (Mr. Hamilton) a question concerning an advertising agency which was to launch a campaign to promote the sale of butter. The minister, through his representative, answered as follows:

> The government of Canada did not appoint a butter advisory committee of Canada. However, in 1960, the government employed a public relations firm to conduct a butter promotional campaign. In the course of its work this firm named a butter advisory committee to assist them in an advisory capacity. This committee consisted of seven members.

A little later, he added:

> Six meetings were held on the following dates: October 31, 1960; November 22, 1960; January 5, 1961; January 27, 1961; February 17, 1961; and March 23, 1961. The committee concluded its functions during May, 1961.

In my opinion, the committee could have carried on its work, because it had at its disposal an ideal instrument to boost propaganda in favour of the sale and food value of dairy products. It could have fought against the vocal and misleading publicity which is being made about what are called non-saturated fats from a salad oil made out of corn. On account on that publicity, many people are wondering whether butter fat and certain animal fats would not be the cause of heart trouble, which is absolutely wrong.

In the United States, authorities in charge of the implementation of the food legislation have issued many statements to the effect that such publicity was false and misleading. In fact, they have stated that there is as yet no evidence of any relation between the proportion of cholesterol in the blood and heart trouble, and that nothing justifies any substantial change in the food diet generally in use in the United States, nor to the eating of fats which it involves. If we refer to certain statistics to be found in U.S. documents, we find that in the United States butter consumption amounts to 8 pounds per capita as compared to 18 pounds in Canada. Those figures are for the year 1959.

We have other figures we can use as a check; for instance, the number of deaths caused by heart trouble in 1959 was 270 per 100,000 in the United States and 234 per 100,000 in Canada. The proportion was lower in Canada while butter consumption was higher.

That committee could have counteracted the effects of that misleading publicity. It could also have endeavoured to destroy a wrong impression about milk contamination by strontium 90, because it is the food that contains the least amount of it. The danger is almost non-existent, if we remember that the cows eliminate 95 per cent of what they absorb in their own food.

The committee could have made several suggestions to the government, which could have guided it in its legislation.

The situation will become alarming if we do not take steps at once to stop the decrease in butter consumption.

In the last few years, it has decreased by one million pounds a month. While the per capita consumption of butter stood at 20¼ pounds in 1957, it went down to 15.1 pounds in 1961.

It must also be kept in mind that 395,000 farmers derive 67 per cent of their income from dairy products.

That is why I would urge the government to reorganize that national advisory committee whose purpose is to promote the sales of dairy products.

I should like to deal briefly with another matter that is of concern to me, that is the distribution of milk in schools. It is rightly said that this distribution would be best organized in co-operation with provincial governments. It is felt that apart from making up for the pupil's failure to have breakfast, milk is a wholesome food which can compete with other beverages often more harmful.

Third, this would be a way to get rid of surpluses, if we consider, for instance, that in 1958-59 there were 3,780,000 children in

grade schools, while that figure is expected to rise to 4.2 million in 1964-65 and to 4.76 million in 1969-70.

In the December 1961 issue of *L'Economiste agricole*, the present situation in the United States is described, as follows:

> In March 1957, a catering service of some kind was available to 80 per cent of the children attending public schools. Milk distribution facilities were available to 90 per cent. Thirty three per cent got a complete meal every day (based on the daily average of the month). Milk consumption reached the equivalent of one pint per day for the total number of children attending public schools. On the average, those children had to pay 24.3 cents per meal under the N.S.L.P. program and 3.1 cents per pint of milk, under the S.M.P. program. During the school year 1957-58, the children attending public schools consumed $619 million worth of food (wholesale price, including the price of lunches and milk), that is $19 per child on the basis of the total registration in public schools. 47 per cent of that amount was for dairy products, of which 35 per cent was for plain milk.

That, in my opinion, is proof in support of that policy which the present government could follow in Canada.

> On the average, each child consumed 59.8 pounds of plain milk. The total cost of the national school lunch program and of the special milk program in both public and private schools amounted to an estimated $926 million in 1957-58. The federal share totalled $241 million, that is 26 per cent of the whole or $6.28 per child, on the basis of the total registration in public and private schools.

Our agricultural organizations have long been considering the question of milk distribution in schools. Thus, *La Terre de Chez Nous* has published a U.C.C. report concerning the distribution of milk in schools. In my opinion, that report contains most interesting information which could help make that idea become a reality.

Indeed, a large number of agricultural organizations have long been advocating the distribution of milk in schools.

American and British experiences in this field also support the adoption of such a policy, even though the results in these two countries are far from complete and, therefore, cannot be too readily analysed.

Health experts also agree on the high food value of milk, especially for the growing child.

Now, children, and especially teenagers, are always being urged by advertising to buy all sorts of beverages without any food value.

The distribution of milk in schools, in addition to improving the diet of many children, would supply them with a basic food and give them a good eating habit.

We know that the country, and particularly the federal government, has a disposal policy. They grant subsidies to concentrated dairy products industries and make substantial gifts of skim milk to nations which often are underfed.

We support that policy because it sometimes becomes urgent to dispose abroad of a product which is chronically in surplus.

On the other hand, such action is often exposed to severe criticism by the general public who do not always realize the economic reasons for that initiative but think that moneys spent that way could serve a better purpose if they were used to feed our own children.

During the school year 1958-59, as I said a while ago, there were 4 million children in primary, secondary and private schools. And the figure I gave then rather concerned the birth rate.

However, through the development of a milk distribution policy in schools, the government would reduce dairy surpluses and would kill two birds with one stone, since this would contribute to decreasing our Canadian stocks. Moreover, such a policy would give impetus to the dairy industry, so that it could become successful in some areas of our country where it is practically non-existent. If our dairy industry became prosperous through this policy, many of our farmers who have to depend upon the income from that industry would therefore benefit from such a distribution of milk in schools.

I hope that the government will consider this measure and that, in co-operation with the provinces, it will find a way to have this policy implemented by the various governments.

At present, on the eve of an election and especially with the warm electoral campaigning which we know, speakers on the government side praise the agricultural policy followed during the last four years. Indeed, one can even hear members declare that they saved agriculture by passing the Crop Insurance Act.

However, I asked the Minister of Agriculture the following question on February 12, 1962:

> Which provinces have agreed to the federal crop insurance scheme?

To which he replied:

> The province of Manitoba entered into agreement with this government under the provisions of the Crop Insurance Act on May 24, 1961. Agreements are expected to be concluded with Saskatchewan and Prince Edward Island in the near future.

That answer clearly indicates that the enactment of the Crop Insurance Act failed to

interest every province, since as yet, only one has entered into agreement and two others are examining the proposal.

And the same goes for the Farm Credit Corporation.

To another question of mine on February 14, 1962, the reply was that only 44 farmers from the province of Quebec had secured loans in excess of $15,000, under part II of the Farm Credit Act.

There again, we can see that even though the act does not contain any reprehensible clause, in my opinion, even though it is well drafted, it does not as yet render the services it should, because only 44 farmers from Quebec have taken advantage of part II of the Farm Credit Act, under which loans in excess of $15,000 are permissible.

Mr. Chairman, may I call it five o'clock?

(Text):

The Chairman: Order. So that the house may proceed to the consideration of private members' business pursuant to section 3 of standing order 15, it is my duty to rise, report progress and request leave to sit again later this day or at the next sitting of the house, as the case may be.

Item stands.

Progress reported.

Mr. Speaker: It being five o'clock the house will proceed with consideration of private members' business.

TRANSPORTATION

REQUEST FOR DEVELOPMENT OF NATIONAL POLICY

Mr. Erhart Regier (Burnaby-Coquitlam) moved:

That, in the opinion of this house, the government should give immediate consideration to the development of a national transportation policy so that the transportation needs of Canada can be met with a minimum degree of subsidization of competing forms of public transport.

He said: Mr. Speaker, I want to tell the house that I intend to be very brief because in the time allotted I should like to hear as many other hon. members as possible express their opinions on what is to me a very serious problem in Canada. I recognize at once, and I want to open my comments with the admission that Canada covers an area of roughly 5,000 miles from Victoria, British Columbia, to St. John's, Newfoundland. We are, relatively speaking, a greatly underpopulated country. It is possible that there is no country in the world with the problems and headaches that Canada has in the field of transportation. This being so I also recognize that it may well be that the public purse will always, in one form or another, be called upon to subsidize public transportation in our country in order to keep at a sufficiently low level the rates being charged for the movement of goods and people.

In the past we have had a large number of royal commissions that have been charged with the responsibility of investigating various transportation problems. The most recent of these was the MacPherson commission which investigated transportation by rail in Canada. We have in this nation two main national railway systems. There are also a few smaller railway companies. In British Columbia we have our famous P.G.E. and in Ontario there is a northern railway system; but in the main we have two large railway systems which may be described as national systems. Both of these receive government subsidies in one form or another. I often doubt whether this country has sufficient population and a sufficient passenger and freight traffic potential to be able to afford the luxury of having two competing national railway systems. At this time I do not wish to argue the merits of private ownership versus public ownership but it appears to me that the idea of integrating Canadian railways deserves much more serious consideration than it has received till now. I am not sure that it would not be wise to sell the Canadian National Railways to the Canadian Pacific Railway or to have the Canadian Pacific Railway absorb the Canadian National Railways system or integrate with it.

However, my motion goes beyond the problem of railways. There is no form of public transportation in Canada that is not now in receipt in one form or another of heavy government subsidization. Our air lines are subsidized if in no other way than through the taxpayers providing growing extensive airport facilities. In addition to that, the estimates now before the house contain the huge deficit of Trans-Canada Air Lines.

It is likely that our trucking industry will deny that it is being subsidized. However, if one examines the tremendous expenditures made on highways by federal and provincial governments it can scarcely be denied that this industry is also in receipt of subsidization, although it is paid indirectly, it is true, by the taxpayers of Canada.

We subsidize rail transportation. The taxpayers also subsidize road transportation. Most bus lines are in receipt of public subsidies. Our water transportation is heavily subsidized. The taxpayers are called upon to pay for the construction of canals, harbours and the like. We have only to think of the tremendous expenditure caused by the deepening of the St. Lawrence seaway. I understand we pay 40

per cent of the capital cost of building ships in Canadian shipyards. I am not too sure we are not wasting hundreds of millions of dollars of the taxpayers' money in failing to integrate available transportation, putting it on a basis to adequately serve the transportation needs of our people.

Because this is a complex problem there is no ready solution and because it is a long standing one there is no real urgency to it. I would even like to advocate the appointment of a royal commission on transportation but I would urge that it be not limited to dealing with only one aspect of transportation. I believe you cannot isolate one form of public transportation without paying attention to competing forms. This government and governments of the past, I believe, have always made the mistake of limiting the terms of reference of previous royal commissions to only one form of public transportation. You cannot arrive at a solution to the problem of railway transportation unless you have considered all the other forms of transportation available.

I should like to see appointed a royal commission that would, in the first place, assess and receive expert advice on the existing transportation needs of the nation and also the likely future transportation needs for at least the ensuing 20 year period. I should then like to have the commission assess and receive advice on existing facilities in the field of public transportation and on probable future developments in this area. Only when we know our national needs and have received adequate and expert advice on existing and probable future transportation facilities can a national board of transport commissioners advise concerning ways and means of best resolving our problems.

I feel we are indulging in a luxury our country can ill afford. We are subsidizing air lines, the trucking industry, bus lines, railroads and transportation by water all for the rather dubious privilege of maintaining a phony free enterprise system of transportation in Canada. It is not free enterprise in that it is in receipt of subsidies at a tremendous cost to the taxpayer. I feel it is time that we as reasonable men and women examine the whole field of transportation and discontinue our present and past policies of examining only one form of transportation hoping we can resolve the problem by blinding ourselves to the problems and needs of other available modes of transportation.

After all, if we use a dollar of the taxpayers' money to lure a passenger on our air lines we require another dollar of the taxpayers' money to give to the railroad in order to compensate the railroad for this loss of business. Every time we take a ton of freight and subsidize the taking of the ton of freight off our railroads and putting it on to the highways, not only are we obliged to spend the dollar to make possible this transport on the highways but at the end of the year we are also faced with a deficit on the part of the railroads and we are obliged to spend another dollar by way of subsidy to the railroad for loss of business.

I feel that our habit in the past has been most unreasonable; it is not realistic. I believe that half of the money the taxpayer is now spending in subsidies in the field of public transport might be saved. I believe that not only would we end up with more stability, more assurance and more efficiency in the field of transport but that we would save ourselves and the taxpayers a great deal of money for which many more worthy causes exist.

Mr. Grant Campbell (Stormont): Mr. Speaker, my remarks will be brief and strictly extemporaneous. There are certain advantages to being a backbencher, even a government backbencher, as he on occasion can afford the luxury of integrity or, if you prefer, irresponsibility. I think it is on occasions such as this one that ordinary members can and indeed should speculate on the shape of things to come.

On more than one occasion I have said in this house that this country of ours, this Canada, is a monstrosity. It is a monstrosity in this sense: it was created in defiance of geography and economics. Only our history holds us together. It was the passionate desire of our ancestors to live under the old organic form of life to which they had been accustomed for generations rather than a republican form of government. It was the desire of our French Canadian compatriots not to be submerged and lose their identity in the North American Anglo-Saxon mass. These are the reasons that cause us to continue as a separate country with a separate and unique identity.

Mr. Benidickson: Oh, there were French people here also.

Mr. Campbell (Stormont): Although we do this we must pay a price for it. Because of current developments throughout the world the question now is whether we are going to be able to continue to pay this price. I think certain modifications, and probably substantial ones, may be necessary. In Canada, of course, it is a commonplace that the thing which basically held our country together originally and which to a large extent does so even today is our transport system, those two bands of steel that have welded us from sea to sea, in contrast to all the geographic

lines going north and south. There is the fact that the Saskatchewan prairie farmer and the Montana prairie farmer are subject to the same droughts and the same storms, that in a geographic sense the maritimes are a natural prolongation of the Atlantic seaboard to the south; and so on right across the country. As anyone who is acquainted with that area knows so well, west coast British Columbia, is in many respects much similar to and encounters the same problems as do Washington and Oregon to the south. They both suffer from claustrophobia because they are isolated by the shining mountains.

It is interesting and, in fact, it is very disturbing today, 20 years later, to observe the tremendous contrast between the economies of western Europe and that of North America. One would almost think today that the new world, the world of vitality, the world of growth is in western Europe, whereas North America to a degree, since the artificial prosperity of the post-war period, appears to be in a state of stagnation. One probably valid assessment of the reasons for this situation I ran across the other day in an article by Anthony West in the *Saturday Evening Post*. I should like to read a couple of paragraphs which I think are most pertinent with reference to the United States and to the comparative slowness of its growth in recent years as compared with the European common market. The article states as follows:

It—

The United States.

—has adopted all the devices beloved of left-wing economists by which the private sector is made to finance state enterprise, the steeply graduated income tax, corporate income tax and capital gains. But while these do inhibit the healthy further progress of private capitalism they don't produce any compensating social benefit because the prevailing devotion to free enterprise prevents the State from making any constructive use of the money.

Then it goes on to state this:

The private capital mopped up by the tax apparatus is squandered as income in the public sector. A grotesque proportion of it is frittered away on three wholly sterile items; paying farmers to grow unsaleable commodities, building unwanted roads and preparing to send cans into outer space.

In our own country the situation differs to a considerable degree. Our farmers, being in the unfortunate position of buying retail and selling wholesale, need every assistance they can get. I think the present government, in comparison with its predecessors has been very much aware of this problem and is showing a continuing awareness of it. Fortunately, we are not obliged to contend with the perhaps quite acute problems of defence with which our neighbours to the south are obliged to contend. However, perhaps one of our most vexed problems today in Canada is that of transportation. It is one of our perennial problems. Railways, although in some ways obsolete, remain essential to Canada. This fact becomes especially evident in times of war. However, it is also obvious that they are being squeezed between competition from air lines and buses for passenger traffic and competition from trucking for freight. Nevertheless, because of our vast distances, they remain essential to the actual survival and operation of our country.

The question is this: how can we make the most efficient use of our transportation system? How can we minimize duplication of services? How can we get the most value for the dollars that our taxpayers spend in all sorts of assistance and subsidies, both open and covered? It seems to me that any time you drive along the highway, especially at certain times of the day, it is almost impossible to do so because of obstruction caused by these huge transports. They cause the greatest wear on our roadbeds. Nevertheless there is, as has been mentioned, this substantial subsidization, although not an obvious one, to the whole trucking industry in that they are not obliged to provide their own roadbeds as the railways do. Again you have the vexed and perennial problem with which we have to contend in Canada, namely that of concurrent jurisdictions as between the provinces and the federal government. It is one that is found in any federal system. But it would seem that possibly the provinces, which have the direct responsibility for highways, might consider further contributions from the trucking industry toward the upkeep of those highways.

I realize that the whole matter of transportation and especially the competing railroads is an inherently and extremely complex and complicated problem with all sorts of nuances and implications, but I believe that ultimately we will be forced, because of increasing expense and increasing demands elsewhere, to consider some sort of rationalization of this system, some sort of integration of our two railway systems either by the government buying out the C.P.R. or selling the C.N.R. to the C.P.R. or to private capital so that the two systems can be incorporated into one rational, serviceable, efficient operation.

Mr. Benidickson: Amalgamation again from a Conservative.

Mr. Campbell (Stormont): Quite. We know that in earlier days there was almost a mania of building unnecessary and uneconomic lines, many of which were brought into being by

Mackenzie, Mann and other Liberal promoters. Finally the situation reached such a state of confusion that the whole system broke down and Mr. Borden's government of that day just about the time of the war crisis was confronted with the possibility of Canada's financial reputation abroad being jeopardized by the threatened bankruptcy of these railways. Faced with this dire situation, in order to protect our credit rating throughout the world we were obliged to amalgamate these inefficient, bankrupt railroads into some form of coherent system.

With the increasing competition that the railways are being confronted with from other forms of transportation in this rapidly changing age, it seems to me that the day may not be too far distant when we must look at the whole situation again, and this time not only the railroads but their competitors, and somehow or other form a rational, integrated system that will best serve the people of Canada with a minimum of unnecessary expenditure and waste.

Mr. Benidickson: Lord Bennett bankrupted the employees.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the motion before us suggests that the house should give immediate consideration to the development of a national transportation policy so that the transportation needs of Canada can be met with a minimum degree of subsidization of competing forms of public transport. In my judgment the whole question of a national transportation policy cannot be centred around one single objective, namely to reduce the amount of subsidization of transportation. Indeed, I would suggest that it is not just a question of subsidization out of the public treasury. There may be a great many ways by which subsidization can take place. Freight users in the maritime provinces and freight users in the prairie provinces will say that they have been subsidizing the railways for years by paying unduly high freight rates. Before we agree to take this very simple idea and go forward on this basis, I think we should judge where this kind of policy could lead.

The hon. member for Stormont (Mr. Campbell) talked about the growing competition and then made the rather sweeping suggestion that, at least as far as railway transportation is concerned, there should be an amalgamation of the systems either as a government monopoly or a private monopoly. I think the country is plagued now with too much monopoly without having the suggestion made that by action of this house support should be given either to a public monopoly or a private monopoly in the transportation field.

Mr. Campbell (Stormont): On a point of order, Mr. Speaker, I think I have been misinterpreted. What I was advocating was that the whole transportation system of the country be investigated, not only the two railways but their competitors, and that a thorough study be made of all systems in order to arrive at some sort of rational solution.

Mr. Argue: Mr. Speaker, I do not think that is a point of order. The record stands. The hon. member made his statement and I think my interpretation of what he said is accurate. He wanted amalgamation of the railways, he said, either by the C.N.R. buying out the C.P.R. or the CP.R. buying out the C.N.R., but whichever way it is done it is a monopoly in the railway business which I think would be a very great mistake at this time. I think it would meet with opposition from the public generally and very strong opposition from the railway employees.

The central theme of this motion is very much the central theme of the second volume of the report of the MacPherson commission on transportation. In very sweeping conclusions the MacPherson commission says in effect, "Let us take off all regulations and controls step by step", but the idea is to take off controls and remove subsidies. Over the years I have seen a transportation policy being developed in this country, inadequate in many ways but being developed, which has had as a very significant part thereof the payment of certain subsidies out of the national treasury of the country as a result of very careful studies having been made by royal commissions in the past, recommendations having been made by those commissions and parliament having acted upon those recommendations.

Mr. Justice Turgeon, at one time chief justice of Saskatchewan, who is an authority in this field, has headed royal commissions in the past and has made very important recommendations. I for one would hate to see the bridge subsidy of $7 million, which helps to carry the traffic between Sudbury and the lakehead, removed. This, of course, is something that would have to be considered under this motion. The member who introduced the motion said that we should be able to save half of the subsidies. I would hate to see action taken to remove this subsidy or even to reduce it by half.

Another recommendation by the MacPherson commission appointed by this government was the removal of part of the subsidy

that is being paid within the maritime provinces on freight moved within the Atlantic provinces. I would expect that members from those provinces would need to take a very careful look at this recommendation before they agreed with it.

There is another recommendation in the report that I think members from eastern Canada, certainly rural members, would oppose, and I think they should oppose it. I refer to the recommendation that the $19 million transportation subsidy on feed grain shipped from the prairie provinces to eastern Canada should be removed. I think that would be a step that would cause a great deal of opposition and should not be accepted without question, even though it is recommended by a commission headed by a person of the prominence and ability of M. A. MacPherson.

Another central recommendation is that to aid the railways, they should be allowed to tear up the branch lines in this country and save for themselves the additional moneys that it would cost to operate those branch lines. I believe this is a policy that should be looked at very carefully. I am amazed, Mr. Speaker, and I am disturbed that this particular recommendation, so far as I have been generally able to ascertain, has been accepted even by organizations whose members will be very adversely affected, as something that is inevitable and is going to happen. They seem to say, well, let it. I think before we say, let it happen, we should look at some of the results if it should happen.

Some farm organizations have been interested in this particular question. The Canadian Federation of Agriculture attached appendix D to its brief to the cabinet dealing with this particular part of the recommendations of the MacPherson commission. In addition to saying, let us find out what the railways wish to do and have them divulge their abandonment program at least five years in advance, the main recommendations of the federation are, the need to provide accelerated depreciation on elevator facilities on branch lines that are to be abandoned; the need to provide for the depreciation of the undepreciated value of facilities still there when abandonment takes place, and the need for accelerated depreciation on new facilities to be built because of the abandonment of certain branch lines.

This is, of course, of great importance to the elevator companies and the grain companies that will be affected. My remarks are not in any way critical of the people who put forward these particular proposals. However, I would suggest that the results to the members of these organizations, the farmers who are members of these organizations, will be much more drastic and, in general, much more important than the results to the elevator companies themselves, although these will be of unquestioned importance. People all across this country from one coast to another in these areas served by branch lines have built their businesses, have built their farms, on the basis of railway service coming into their area. If you remove that railway service, you depreciate the value of the businesses that are operated within the towns and depreciate in one stroke, in a very substantial manner, the value of the farm businesses that have been built up over many years.

I suggest that it is the ordinary people, the ordinary freight users, the ordinary citizens that have been forgotten both in the MacPherson report and in this particular resolution. It is these people who will suffer, and suffer very seriously from any wholesale abandonment of either subsidies for transportation or branch line railways. Suppose, for example, a farmer has built his farm business, purchased his land, paid for it and engaged in this operation on the basis of a railway market which is five miles away. Suddenly, overnight the branch line is abandoned and he has to go 50 miles to market. The value of his property is reduced immediately; his transportation costs go up and his profit margin is reduced as well as his standard of living. This is one of the results that will flow from any wholesale implementation of the MacPherson report, namely the transfer of wealth from the ordinary freight users, businessmen, farmers and others, who live in communities surrounding branch lines, into the coffers of the railway company. I suggest that this is something that should be approached very carefully.

Now, I think it is true that one could not advocate that uneconomic branch lines or all uneconomic branch lines should be maintained indefinitely. However, I do suggest the economic results that flow from the abandonment of branch lines should be considered and a policy should be designed to deal with more than accelerated depreciation for the very large business firms connected with the use of these branch lines. I would suggest that there are a number of factors that should be considered whenever a branch line may be abandoned. First of all, the ordinary facilities should be certainly maintained for the people in those areas. Where mail has come by railway, and this happens to a lesser degree every day, the same service should be maintained by truck transportation. I would suggest further that federal action should be taken in co-operation with the provinces and the railway companies to ensure good all-weather highway facilities wherever branch lines are abandoned.

I would suggest further that the government, in addition to considering accelerated depreciation for large businesses should

consider a policy which would provide moneys by way of compensation, not only to large business firms but to smaller businesses and to farmers who suffer direct and severe personal financial loss as a result of the abandonment of railway lines. There are a number of ways these payments may be made. Money should go to make certain there are good highway facilities. In so far as grain producers are concerned there might be some compensation in the price paid for the grain to compensate the farmer for having to truck his grain 40 or 50 miles when he has built his business on the basis of a haul of only 5 or 10 miles. This same kind of consideration could be given to the transportation of livestock. It may be possible to provide accelerated depreciation not only to large companies but for the investment of ordinary people themselves. I suggest that over the years subsidies in this country have become an important part of our transportation policy. "Subsidy" should not be considered a bad word.

Who can say what really constitutes a subsidy? There are subsidies that are paid, as I have said earlier, that do not come out of the national treasury. Some members of parliament may be underpaid and some may be overpaid. If some are overpaid, then I suppose that is a type of subsidy.

If some people have to pay unduly high freight rates then that is a type of subsidy to the railroads. The question is whether we can get a national transportation policy that is geared not only to the needs of the railways and the main transportation companies themselves but will provide protection, compensation and a cushioning effect from the economic results that will bring hardship to ordinary citizens when changes of a technological nature are necessary.

This is not a new concept. We have had other legislation which says that certain areas are depressed and that certain action will be taken by the government to assist in maintaining or establishing industries in them. All I am saying is that we should not accept this motion precisely as it stands now, nor should we accept the recommendations contained in the MacPherson royal commission report without making certain that within our national transportation policy there is a real degree of equity not only for the transportation companies involved but, of even more importance, for the ordinary citizens who must use these very necessary facilities.

Mr. Morris: Would the hon. gentleman permit a question which is not of an antagonistic nature? I hope to participate in this debate later as a private member, but the hon. gentleman spoke of the Maritime Freight Rates Act and the 20 per cent internal subvention on goods moving within the maritimes area. I wonder has he a view as to whether it would be better to continue that subsidy, that subvention, internally within the Maritime Freight Rates Act territory or take that subvention and apply it in the form of a new subvention to the products of secondary industries leaving the region and going outside it.

Mr. Argue: I think we should be careful not to abandon what is already there. Of course the freight rates act provides for a subsidy going outside the provinces, and my initial request would be to let us give the maritimes a greater benefit in toto instead of cutting off some of the benefit they now have.

Mr. Campbell (Stormont): Would the hon. gentleman permit another question? I am just wondering where he got his indoctrination in Gladstonian Liberalism.

Mr. Martin (Essex East): Any intelligent man who reads can get it.

Mr. Terry Nugent (Edmonton-Strathcona): The resolution before us takes in a tremendous amount of territory and I shall try to confine my remarks to a small part of it, as otherwise I am afraid it would take a very long speech to touch on all it contains. First of all, I am impressed with the thought that the wording of the resolution gives another indication of the opinion we often receive from the socialist corner of the house, that all that is needed is more and more government control in order to take care of some of the financial difficulties which industries might suffer from in this country.

My first reaction to the resolution is one of extreme caution that we are again being asked to do even more planning with regard to the transportation industry, which is perhaps the biggest business we have. It touches every phase of life and it embraces the field of public transport, private transport, indeed all methods of transportation. It perhaps involves more expenditure of money than any other single industry we can name, and to suggest that we should have a national transportation policy is taking in a great deal of territory.

The hon. member who introduced the motion mentioned only public transport, but his resolution is very wide, covering as it does "the transportation needs of Canada". I do not say that there has to be less subsidization but I would point out that the more government interferes, and the more direction government tries to give to developing the various transportation facilities, then the greater is the response of industry saying "Well, you have regulated, now you support

it." Therefore we cannot have more direction from the government without considering responsibility for the costs entailed in the service.

For instance, I know that in the field of air industry the general policy of the air transport board is to select areas in which carriers are to operate, the theory being that there is only so much business, that it is a very expensive business to enter, and that if the potential business in an area is not carefully guarded it will not be possible for any carrier to make money. An area would be broken up so much that it would result in poor equipment, poor safety standards and poor service.

However it has been my experience that sometimes the board in pressing that policy reaches the point where, in its anxiety to make sure that the air industry is itself healthy, it forgets that the ultimate policy of a healthy air industry is to serve the needs of the community and area in which a particular company is operating. This same policy and thinking can be applied to all branches of transportation.

I know that provincial governments in considering such things as bus transportation within the provinces have had to make a choice between private competition, public ownership and regulated private competition. The only method I think we can adopt as an assured guide for making sure that we do not have to subsidize is to make positive that we get efficiency, and one of the best regulators of efficiency is private competition.

We find that wherever the government steps in and regulates competition there is some risk of a lack of efficiency, or it may have to regulate competition by setting up a monopoly with an arrangement to regulate the price so that the people who are using the service will not be overcharged.

In the province of Alberta the bus operators come under the supervision of the vehicle highway traffic board. Each bus operator is given a franchise to a certain route, and rates on passengers and freight are strictly controlled and regulated. I think it should be pointed out that this is an entirely artificial method of finding costs. It is true that the government could look at the financial returns of a company and if it finds the company is making too much money there might be some basis for believing that the costs were too high. On the other hand, if the company is losing money it might be just as true to say the costs are too high because it is much too inefficient.

The only point I am striving to make is that effectively regulated enterprise is one of the best means of ensuring the saving of money which will cut down on subsidization, but with greater efficiency there will be less cost to the taxpayer.

I could touch for a moment on some of the difficulties which, even if the government decided it has a good method of figuring out costs, could be troublesome, especially when you have two different types of industry competing with each other. It is then very difficult to find out what are costs, how much is subsidy, and which industry is efficient. Of these I suggest the most obvious are the railroad and trucking industries.

In the north of Canada we have quite a bit of discussion as to whether or not aeroplanes can compete with barges. There are such factors to be considered as winter stockpiling, where a barge can haul a much greater load, but the value of your money is tied up in a year's inventory as compared with the initial cost of an airplane, the landing strip for it, the relatively high unit cost, but greater turnover of capital.

I suggest that if we are to adopt a national transportation policy all of these factors, as wide ranging as the size of an inventory which it is best for a merchant in Aklavik or Inuvik to keep on hand, the size of an aeroplane to be used to service the Yukon territory, whether it is better to use a barge on the Mackenzie river, all the way down to how much of a subsidy it is when a provincial government builds a highway for a truck to operate and really pay as compared with a railway, must be considered. It may be said, I suppose truthfully, by proponents of this resolution that the present subsidization is really a hit or miss affair or at best sort of a spotting of areas of trouble.

The object of the government, of course, is first to make sure that the service is supplied to the public. I would suggest that where the service is really needed and where people are given enough scope, private enterprise has enough ingenuity to find a way to give them that service at a reasonable cost and make a profit. I would therefore just like to add a note of caution; that we by all means try to avoid regulation which is going to discourage our private enterprise transportation people from giving us the benefit of their wisdom and experience and being able to take care of many of these problems which otherwise would be sloughed off on to eager government shoulders.

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): Mr. Speaker, I would like to deal, not as parliamentary secretary but as one of the Atlantic provinces 33 members of parliament, with one particular aspect of the motion before

the house. What is asked in the motion is a minimum degree of subsidization of competing forms of public transport.

We maritimers are understandably sensitive about transportation. We had historic pledges that our transportation services would be preserved to us and that, more particularly, the Intercolonial Railway would not be measured in economic terms alone. If it were to be measured in economic terms alone, it ought first of all to be taken up and relocated. The present Canadian National Railways route between Halifax and Montreal follows a course of scenic beauty, but none the less one which was intended to secure it far enough north to inhibit nocturnal raids by intransigent Yankees from New England. Consequently whenever it is suggested that transportation services be put on another basis, that they not be subsidized or that they be put on economic terms alone, maritimers are apt to be sensitive.

In the brief time permitted me in this debate I want to speak about that aspect which has to do with the recommendations of the MacPherson report. In so far as the Atlantic provinces are concerned, it is evident that the recommendations of the MacPherson royal commission, if implemented in whole or in substantial part, would have a very far reaching effect upon the economy of our region and upon our people.

The principal recommendations of the MacPherson royal commission in respect of the Atlantic provinces seem to me to be these. First, the report recommends that the 20 per cent Maritime Freight Rates Act subvention now paid on rail shipments moving within the Maritime Freight Rates Act territory—which is to say, the four Atlantic provinces and that part of the province of Quebec lying east of Levis and Diamond, south of the St. Lawrence river—be removed except in so far as it applies to, from and within Newfoundland.

The commission's rationale for recommending the removal of this inside assistance seems to be this, at least in part:

> We are convinced that the development of the trucking industry in the provinces of Nova Scotia, New Brunswick and Prince Edward Island has now, in spite of the handicap, progressed to the point where the withdrawal of the subvention on intramaritime shipments will in general bring rail rates to a level which is favourable to the encouragement of traffic. The consequent shift of resources from rail to non-rail investment will be in response to demand for that service from shippers.

Continuing the quotation from the MacPherson report:

> The commission is not unmindful of some of the disturbances in shipping patterns which may be created, should parliament decide to amend the Maritime Freight Rates Act by eliminating the payment of the 20 per cent subvention on shipments solely within select territory.

Mr. Speaker, time will not permit me to develop the theme which I wish to develop on this removal coupled with the recommendation that the outside subvention be sustained. This suggestion that the internal subvention of 20 per cent be now removed is one which is receiving the closest consideration of the maritime transportation commission, the governments, industry and all our people. The question which I asked the hon. member for Assiniboia (Mr. Argue) dwells with us; whether it might now be better to sustain this recommendation and remove that internal subvention and apply it as a new subvention, over and above the 30 per cent outside subvention, to the products of secondary industry in our region moving beyond the region.

Mr. Speaker, I see that it is six o'clock.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, I assume we are going on with the supplementary estimates tomorrow.

Mr. Churchill: Yes, Mr. Speaker, and with rapidity and relevance.

Mr. Pickersgill: The relevance I can assure the minister there will be from this side.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, March 29, 1962

The house met at 2.30 p.m.

TRADE

EXPORT CREDITS INSURANCE CORPORATION—TABLING OF ANNUAL REPORT AND FINANCIAL STATEMENTS

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I wish to advise the house that today I have tabled with the Clerk of the house the annual report and financial statements of the Export Credits Insurance Corporation for the year ended December 31, 1961, in English and in French.

Hon. members will recall that when the amendment to this act was under discussion I undertook to table certain information. As recorded on page 909 of *Hansard* for February 15, I stated:

> The specific commodities in each case are not available for the moment. They will become available when the annual report of the Export Credits Insurance Corporation is made, I believe early next month. At that time the complete list of commodities will be made available.

In accordance with that promise, Mr. Speaker, I would ask that the attached list be published as an appendix to *Hansard* today.

Mr. Speaker: May I inquire whether the document the minister wishes to table is filed pursuant to statutory authority or pursuant to the minister's undertaking?

Mr. Hees: Both, Mr. Speaker.

Mr. Speaker: In so far as the document is covered only by the minister's undertaking, has the minister leave to table the document?

Some hon. Members: Agreed.

Mr. Speaker: Is it agreed also that the document be printed as an appendix to *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For text of document referred to above, see appendix.*]

IMMIGRATION

ANNOUNCEMENT OF INCREASE IN FAMILY ASSISTANCE TO CHILDREN

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I wish to announce that effective April 1, 1962 the monthly rate of family assistance paid by the Department of Citizenship and Immigration to children under 16 years of age admitted or readmitted to Canada for permanent residence will be brought into line with the rate of family allowances paid to the children of other residents of Canada. After April 1 immigrant children up to the age of 10 will receive an allowance of $6 and those from 10 to 16, $8 per month during their first year of residence in Canada. After one year they become eligible for the regular family allowances paid by the Department of National Health and Welfare.

It is felt that, in justice, immigrant families should be entitled to the same social benefits as other residents of Canada. It is estimated that approximately 25 per cent of the immigrants are children under 16 years of age.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I am naturally very gratified that the policy which I was able to persuade my colleagues to institute when I was minister has commended itself so much to the minister that she has made this amelioration in it. I only wish that the flow of immigrant children that this country was able to absorb when I was minister could continue today.

Mr. Frank Howard (Skeena): Without being ridiculous about it, Mr. Speaker, I only wish to associate this group with the remarks made by the hon. member for Bonavista-Twillingate to the effect that this is a laudable course to take. I wish, too, that perhaps a good many of the native Indian children in the country who find equal difficulty—

Mr. Speaker: Order.

PUBLIC SERVICE PENSION ADJUSTMENT ACT

EXTENSION OF LEGISLATION TO INCLUDE PROVIDENT FUND PENSIONERS

Mr. W. L. M. Creaghan (Westmorland) moved for leave to introduce a bill to amend the Public Service Pension Adjustment Act (to include provident fund pensioners).

Some hon. Members: Explain.

Mr. Creaghan: Mr. Speaker, the provident fund act was passed in 1907 to permit public servants employed by government owned and operated railways to contribute to a pension plan. The fund is administered by a board of five directors, one of whom is the

regional manager of the C.N.R., two are appointed by the Minister of Transport and two are elected annually by the employees. The secretary is appointed by order in council. The board meets regularly at the fund's headquarters in Moncton.

As of the end of 1958 provident fund pensions were paid by Department of Transport cheques to 4,013 retired employees, and at that date there were still 1,941 employees in active service and contributing to the fund. The figures are smaller today. The fund is subsidized by the Canadian National and by annual vote of the Department of Transport. This year's vote is No. 120 under the heading pensions-railway employees provident fund.

The existing legislation appears to include provident fund pensioners. This amendment will simply clarify the point and make certain that those retired public servants can come under the Public Service Pension Adjustment Act passed in this house in 1959.

Mr. Speaker: Before placing this motion before the house I wonder whether the hon. member who proposes it could satisfy the house that the bill does not involve the expenditure of public funds. It appears on its face, if it is effective, to extend the number of ex-employees who would secure benefits under the Public Service Pension Adjustment Act, and certainly those adjusted benefits involve the expenditure of public funds. Without saying more than that, perhaps the hon. member has thought about this question and may have the answer to the difficulty I feel is inherent in the bill.

Mr. Creaghan: I have given some consideration to this technicality. It seems to me that the resolution introduced in 1959 by the Minister of Finance, and the legislation passed, were broad enough to include this group of public servants. The schedule to the act, paragraph 10, contains the same words as are in the explanatory notes to my bill that the adjustment could be paid to people who in the opinion of treasury board were in receipt of pension "calculated on the basis of length of service".

I believe that the legislation already passed is broad enough to include this group, but I have ascertained that treasury board has not seen fit to so include them. When I voted for the bill in 1959 I thought the provident fund pensioners were included. As Your Honour will recall, it includes members of the armed forces, retired federal civil servants and members of the R.C.M.P. who, like provident fund pensioners prior to 1922 when the C.N.R. came into existence, were contributing to a government pension or superannuation.

I feel I am not asking this parliament to vote money. I want the previous legislation clarified and, second, I would point out that the bill I am introducing today does not say that parliament shall vote the funds. It simply says "if in the opinion of treasury board," which means parliament will not be deciding, but treasury board will.

Mr. Hellyer: Abrogation of responsibility.

Mr. Creaghan: If Your Honour looks at the explanatory notes accompanying the bill, although I presume it has not been distributed as yet, you will see it is very much in line with a bill already introduced in this current session without a resolution.

Mr. H. J. Robichaud (Gloucester): On a point of order, the hon. member who has introduced this bill should advise the house whether he has contacted the government and received the approval of the government. We are not against the principle of the bill, but it is a decision to be taken by the government.

Mr. Creaghan: I would like to speak to the point of order. As a member of parliament interested in the railway workers of this country, I have been in continuous contact with the government on this point.

Mr. Martin (Essex East): Order.

Mr. Creaghan: However, I did not in any way contact anyone on the treasury benches concerning this bill.

Mr. Martin (Essex East): The government should adopt this bill.

Mr. Speaker: The point in issue is not whether the hon. member has asked the government to bring in this bill. The fact is that the government has not brought it in. If it is a bill requiring the expenditure of money, it can only be introduced in this house by resolution sponsored by the government.

Mr. Hellyer: Let the Prime Minister introduce it as a government bill.

Mr. Speaker: I am not sure whether any hon. member wishes to add something further to what has been said, but I have a fairly definite view that this is a money bill and it is my duty not to accept it.

Hon. E. D. Fulton (Minister of Justice): May I with respect, Mr. Speaker, suggest that possibly the best thing to do would be, without prejudice, to allow the bill to be introduced and distributed—

Some hon. Members: Oh, no.

Mr. Fulton: —and at that time, before it is called for further debate, it could be considered. If it is then found to be a bill that does require a resolution, it seems to me it would be within Your Honour's power to order it withdrawn from the order paper. But I think it would be difficult to ask us, and I think difficult to ask Your Honour, to reach a decision on a point of that sort without having seen the bill.

I would only like to add that the doctrine just put forward by the hon. member for Gloucester is to my mind the most extraordinary I have heard in this house, namely that the consent of the government should be obtained before a private member introduces a private bill.

Mr. Hees: That is the way they did it.

Hon. L. B. Pearson (Leader of the Opposition): It seems to me, Mr. Speaker, that the decision you have made is the right one, that this bill should be withdrawn from the order paper and reintroduced by the government as a government bill.

Mr. Speaker: The latter part of the argument of the Leader of the Opposition is not for me to deal with at the moment. I think perhaps the suggestion made by the Minister of Justice is the proper course to adopt. I have a fairly definite view now, but as an issue has been raised, without opportunity for hon. members to consider whether I am correct in thinking that this bill does involve the expenditure of money and therefore should be preceded by a resolution, it might be left so that there would be an opportunity to review the matter, on the understanding that when the bill again comes before the house the issue will be determined. Then if I come to the conclusion, or retain the opinion, that it is a bill involving an appropriation of funds, it is my duty to direct that the bill be withdrawn and that it shall not be proceeded with. I think that is clear. I refer hon. members to Beauchesne, fourth edition, citation 250 which reads, in the fourth paragraph:

> "If any motion, or bill, or proceeding is offered to be moved, whether in the house or in a committee, which requires, but fails to receive, the recommendation of the crown, it is the duty of the Chair to announce that no question can be proposed upon the motion, or to direct the withdrawal of the bill".

I think the preferable course would be to stand the motion and deal with it at a subsequent sitting, rather than to have it remain on the order paper.

Mr. Creaghan: Mr. Speaker, may I just say one word on your ruling. Could I not introduce the bill and personally undertake to withdraw it if it is ruled to be a money bill?

Some hon. Members: Order.

Mr. Speaker: I appreciate the hon. member's interest in this matter but he would gain no advantage by having the bill on the order paper—and it would complicate the order paper to have it there—and then for me to direct its withdrawal. Therefore with the leave of the house I shall direct that the bill stand until Monday. Is that agreed?

Some hon. Members: Agreed.

Motion stands.

LABOUR CONDITIONS

RAILWAY ENGINEERS—INQUIRY AS TO COST OF STRIKE SETTLEMENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Labour and ask him whether he can tell the house what is the estimated cost to the railways of the settlement which they made with the engineers?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I have not as yet received the full report on the settlement; I have been informed that there are still a number of small items to be ironed out. Consequently I am unable to give any estimate of the cost of the settlement because of the fact that I have not received all the details of that settlement.

Mr. Chevrier: Could I ask the Minister of Transport if he could inform the house what would be the estimated cost of Canadian National Railways share of this settlement?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I would give the same answer as my colleague the Minister of Labour.

Mr. Chevrier: May I direct a question to the Prime Minister and ask him if the amount which is represented by this settlement will be obtained on behalf of the railways and, more particularly, on behalf of the Canadian National Railways by an application to the board of transport commissioners for an increase in freight rates, as the Prime Minister indicated in his speech in November, 1960 in connection with this matter, or whether an estimate by way of a subsidy will be introduced by the government to provide payment thereof.

Right Hon. J. G. Diefenbaker (Prime Minister): When a determination of the amount has been made, the government will be in a position to advise the house concerning the course which will be taken to meet the situation.

Inquiries of the Ministry

IMMIGRATION

PUBLICITY GIVEN TO NEW REGULATIONS RESPECTING SKILLED WORKERS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of Citizenship and Immigration. In view of newspaper reports that little publicity is being given to the relaxed admission requirements for skilled immigrants, would the minister inform the house what action she is taking to ensure that people are informed of, and understand, the latest regulations?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I saw the article referred to in this morning's press, and I should like to say that there is no truth whatever in the suggestion that the immigration department is deliberately holding back on publicizing the recent changes in the immigration regulations, as was said in that article.

When the changes were announced in the house on January 19 last, full publicity was given to them in the press and through the news media both in Canada and overseas. Copies of the new regulations and information pertaining to them were distributed immediately to the ethnic press in Canada. There has been wide editorial and news comment on the new regulations.

In addition we have supplied all our immigration offices overseas, all our Canadian diplomatic missions abroad, and British consular authorities who act for us in other places with full information in respect of the new regulations and how we expect them to operate. This information is available to any and all who may be interested. We have provided information through established diplomatic channels here in Ottawa to all governments which have expressed an interest. We have supplemented the written information with discussions in a good many instances with representatives of India, Pakistan, Ceylon and Japan, to give but a few examples.

We have not, of course, inserted paid advertisements in the press overseas or gone on radio or television in foreign countries. That has never been the policy of the government or of the department. Moreover, many overseas governments exercise very firm control over the types and amounts of publicity relating to immigration which they will permit within their jurisdictions. But it is nonsense to suggest that publicity relating to the new regulations is being deliberately held back.

[Mr. Diefenbaker.]

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I might ask a supplementary question. Can the hon. lady say whether there has been any increase in the staff of any of the immigration offices in order to deal with the additional applicants resulting from the less stringent regulations, and whether any new offices have been opened anywhere?

Mrs. Fairclough: The answer to that question is no. During consideration of the estimates last year, I think, someone asked me whether we had decreased the overseas staff. The answer to that question was no. We expect that the existing staff will be adequate to handle the increased flow. However, we do anticipate that there may be additional countries to which it will be necessary to supply staff, possibly, in the first instance, in the form of travelling teams. The hon. member is familiar with that procedure. If there is sufficient flow from any country to warrant the opening of an office, that may well have to be considered as the need arises.

Although I told the hon. member yesterday that it was as yet too early to expect any actual entries into Canada, I might say that the increase in interest abroad and in applications from abroad has been pronounced since February 1.

Mr. Pickersgill: Perhaps I might be permitted to ask the hon. lady another supplementary question. Can she say whether the department has sent any officials to the British West Indies, or whether such action is contemplated?

Mrs. Fairclough: When any decisions are made along those lines they will be announced.

HEALTH AND WELFARE

REQUEST FOR EXTENSION OF MEAT INSPECTION SERVICES

On the orders of the day:

Mr. E. A. Winkler (Grey-Bruce): I wish to direct a question to the parliamentary secretary to the Minister of Agriculture. Is the parliamentary secretary in a position to indicate to the house that the government is prepared to take any steps to expand or increase its meat inspection services?

Mr. John Charlton (Parliamentary Secretary to the Minister of Agriculture): The answer to the question is yes. A considerable number of meat plants have applied recently to have their operations brought under the federal meat inspection service. In order to provide the staff required for this service the department has been authorized to increase

its establishment by 41 positions of meat inspection assistant and 11 positions of veterinarians.

TRANSPORT

WELLAND CANAL—INQUIRY AS TO REMOVAL OF TOLLS

On the orders of the day:

Mr. W. H. McMillan (Welland): I should like to direct a question to the Minister of Transport. Since navigation is due to open on the Welland canal this week end, can the minister say whether the government has reached any decision regarding the abolition of tolls on that canal?

Hon. Leon Balcer (Minister of Transport): As I said earlier, if and when a decision on this matter is taken by the government it will be announced in the house.

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM—REPORTED MOVEMENT INTO NORTH

On the orders of the day:

Mr. Erik Nielsen (Yukon): I have a question for the Minister of Justice. In view of recent press speculation about a subject which has generated a large number of letters directed to me from the people of the Yukon, can the minister assure the people in the Yukon territory that the conjecture that the Doukhobors, Sons of Freedom sect, are going to be moved into areas of the north, including Yukon and Northwest Territories, is unfounded?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, what may be the thoughts of those who have suffered as a result of the activities of these people as to where they should be sent, I am unable to say. However, I can assure my hon. friend that whatever area they might wish them consigned to, there has been no consideration given to that suggestion by this government.

COMMUNICATIONS

INQUIRY AS TO SECOND NATIONAL MICROWAVE SYSTEM

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of Transport. Can the minister inform the house whether Canadian National Railways has reached an agreement with the Canadian Pacific Railway to construct a joint microwave communications link across Canada? If so, what is the Canadian National Railway's share of the cost?

Hon. Leon Balcer (Minister of Transport): A statement was made to the press the other day by the presidents of the two railways, making their intention to proceed with the building of a microwave system across Canada at a cost of $38 million, to be shared evenly between the two railway companies.

HOUSING

N.H.A.—REQUEST FOR FINANCING OF EXISTING HOMES

On the orders of the day:

Mr. J. R. Garland (Nipissing): I have a question for the Minister of Public Works. In his absence perhaps I could direct it to the acting minister. Has the minister seen the article in the March 23 issue of the *Financial Post* under the heading "Mortgages Merit Very Close Look" which states as follows:

> The difficulty in financing older homes is one reason for the unnecessary decay of the heartland of our cities.

Will the minister comment on that article, or say whether the government is giving any consideration to the subject matter?

Hon. J. A. MacLean (Acting Minister of Public Works): I have not seen the article in question. When I see it I will have it looked into and will indicate whether there is any fact on which the conclusions of the article can be justified.

REPORTED DECLINE IN STARTS IN FEBRUARY 1962

Hon. J. A. MacLean (Acting Minister of Public Works): Yesterday the hon. member for Nipissing asked me a question which I took as notice. He referred to the current housing program and made particular reference to limited dividend loans by Central Mortgage and Housing Corporation.

At the present time C.M.H.C. is negotiating with limited dividend companies toward the approval of 44 limited dividend projects, comprising 2,544 housing units, for total loans of $16,500,000. It is likely that these negotiations will result in firm applications for limited dividend loans during the next few months.

The hon. member also asked me about housing starts in February this year as compared with those in February 1961. As to the rate of starts for February, I should like to point out that, seasonally adjusted, this represented an annual rate of 95,400 for urban centres of 5,000 and over, little changed from the January rate or, indeed, from the average rate in 1961.

I think hon. members will recall that in December, 1960 the down payment requirements for housing were lowered, and this action resulted in a higher than usual number

of starts in the following January and February, with the result that the starts for February this year are down, as the hon. member said, 16 per cent as compared with starts for 1961.

Mr. Garland: I wish to thank the minister. I wonder whether he could say with respect to the first question that he answered for yesterday, why no loans were approved in the limited dividend field in February.

Mr. MacLean (Queens): I do not know of any particular reason. I think it is not intentional. As I said, 44 projects are being negotiated at the present time. It would appear that it just happened that during that month no contracts were entered into.

PUBLIC SERVICE

INQUIRY AS TO APPOINTMENT OF UNDER SECRETARY OF STATE

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to ask a question of the Prime Minister. Will the Prime Minister say whether an under secretary of state has been appointed? If so, what is his name?

Right Hon. J. G. Diefenbaker (Prime Minister): An appointment has been recommended. However, it requires the approval of the Governor General, and I hope to be able to answer the question tomorrow.

TRANSPORTATION

ROYAL COMMISSION—IMPLEMENTATION OF RECOMMENDATIONS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Prime Minister. In the light of the undertaking given by the Prime Minister in November, 1960 with reference to the royal commission on transportation, may I ask the Prime Minister whether it is the intention of the government to implement any of the recommendations of the commission as contained in either volume 1 or volume 2 at this session of parliament.

Right Hon. J. G. Diefenbaker (Prime Minister): The hon. gentleman, having at one time been a minister of the crown, realizes that questions such as that are answered when the government is in a position to do so. If the opposition will only get along with the supplementary estimates and get them passed we can deal with other matters.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I realize that they do not like this, Mr. Speaker. If they will get along with the passing of the supplementary estimates we shall then be in a position to deal with some of these matters that ought to be dealt with. However, altogether too much time is being spent on repetition, thereby denying the government the opportunity of bringing in legislation which it desires to bring in.

Hon. L. B. Pearson (Leader of the Opposition): Is the Prime Minister telling us that in order for the government to do its job we must refrain from doing ours?

Mr. Speaker: Order. While it is in order to discuss the business of the house, I think it would not be in order to debate how it should be conducted.

Mr. Diefenbaker: I agree with that statement. The answer is obvious. If the hon. gentleman were here, possibly there would be more expedition in dealing with these matters.

Mr. Pearson: May I remind the Prime Minister that no member of the government except the house leader was here during the discussion of the estimates yesterday. Neither the Prime Minister nor any of his colleagues was here.

[*Later:*]

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to ask the Prime Minister a question. In view of his belated but undoubtedly real interest in the dispatch of public business, can he tell us when we may expect at least one report from one of the 13 royal commissions now touring the country?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, if the hon. gentleman will look back over the period when he was on the treasury benches he will find out about the number of royal commissions.

An hon. Member: Answer the question.

Mr. Speaker: Order.

Mr. Diefenbaker: I think the number of royal commissions was approximately the same for a comparable period and some took longer to report than those now operative.

Mr. Chevrier: It did not take two years to bring in legislation.

Mr. Diefenbaker: We are getting the latest Gordon report every week.

Mr. Martin (Essex East): The Prime Minister obviously did not hear my question, and I wonder if he would be good enough to answer it.

Mr. Hees: He did not miss a thing.

CANADIAN BROADCASTING CORPORATION

HOCKEY—REQUEST FOR FULL COVERAGE OF TORONTO PLAY-OFF GAMES

On the orders of the day:

Mr. C. A. Cathers (York North): I wish to direct a question to the Minister of National Revenue. I regret I have not sent him notice. In the interests of several million spectators in the Toronto area who are interested in watching the Toronto Maple Leafs win the Stanley cup, will he do what he can with the C.B.C. so that these millions may see the whole game and not just half of it?

Hon. George C. Nowlan (Minister of National Revenue): I am glad to know that the Toronto area now has so many millions, which I presume makes more difficult of achievement the prophecy I made the other day of Sydney, Nova Scotia some time equalling that population. Nevertheless, I am sure all hon. members would like to see more publicity given to the Maple Leafs, as well as to the Canadiens, but under the practice which has prevailed for the last nine years these teams will have to first win the semi-finals in which they are now engaged—perhaps prayers to that end will be rewarded—and having achieved that objective the C.B.C. will cover each of the final games in its entirety.

TRADE

EUROPEAN COMMON MARKET—CONFERENCE OF PRIME MINISTERS

On the orders of the day:

Mr. Arthur Smith (Calgary South): Mr. Speaker, I should like to ask the Prime Minister whether he has anything further to report on the proposal for a meeting of the commonwealth prime ministers.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, when Mr. Heath was here a few days ago I again emphasized the necessity of there being a prime ministers' conference before a final determination is made by the United Kingdom on entering into the common market. As I recall, the Prime Minister of the United Kingdom earlier today was asked in the House of Commons about this matter. He said, as I read the report of his statement, that before this decision is made, inasmuch as the question of commonwealth trade is so important to the economic life of the members of the commonwealth, the subject would be discussed in a prime ministers' conference and, furthermore, that within a week or two he might be in a position to make an announcement.

The determination as to the date of a prime ministers' conference is, of course, always difficult. There are all the various eventualities that arise, and there are circumstances peculiar to one or more of the countries. All these things have to be taken into consideration even after acceptance of the principle before a definite date can be fixed.

(Translation):

BRIDGES

JACQUES CARTIER AND VICTORIA BRIDGES, MONTREAL—INQUIRY AS TO TOLL CHARGES

On the orders of the day:

Mr. Maurice Johnson (Chambly-Rouville): I should like to direct a question to the Minister of Transport. Could he acquaint the house with the latest developments concerning the federal government's intention of removing the tolls on the Jacques Cartier and Victoria bridges?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I have been in communication with the provincial government so that a meeting could be arranged between the chairman of the national harbours board, the assistant deputy minister of transport, the provincial government's representative and the deputy minister of the provincial department of highways, to discuss conditions concerning the federal government's intention of removing the tolls on the Jacques Cartier and Victoria bridges, in Montreal.

Hon. Lionel Chevrier (Laurier): Pursuant to the question which was just directed to the minister, may I ask him whether the Champlain bridge will be discussed during the talks he mentioned a while ago?

If not, could he tell us if he has made up his mind to levy tolls on that bridge after it is officially opened?

Mr. Balcer: Mr. Speaker, the talks which will be held next Tuesday will bear exclusively on the question of tolls on the Jacques Cartier and Victoria bridges. As far as the Champlain bridge is concerned, there is no change for the time being in the plans to charge tolls on that bridge. In that, we are following the policy adopted by our predecessors.

Mr. H. Pit Lessard (St. Henry): Has there been an exchange of correspondence or notes between the city of Montreal and the minister concerning the question of toll-collector bridges?

Mr. Balcer: Yes, Mr. Speaker.

Mr. Johnson: Further to the question asked by the hon. member for St. Henry, could the minister give us a definition of a toll-collector bridge?

(Text):

PUBLIC WORKS DEPARTMENT

REPORTED LAY-OFF OF EMPLOYEES OF DEVELOPMENT AND ENGINEERING BRANCH

On the orders of the day:

Hon. J. A. MacLean (Acting Minister of Public Works): Mr. Speaker, yesterday the hon. member for Levis asked me the following question which I took as notice:

Can the minister explain the sudden lay-off at the beginning of the construction season of a considerable number of the members of the staff of the development and engineering branch of the department?

I am able to inform the house that there has been no sudden lay-off of construction staff of the development and engineering branch of the Department of Public Works. It may be that the hon. member noted that 25 vacant positions in the establishment of the branch were deleted during the present year and do not appear in the 1962-63 estimates. These positions were provided in the establishment for this branch some years ago when the extent of its program was not definitely known, but they were never filled. The positions have therefore been deleted.

Mr. Maurice Bourget (Levis): I should like to ask a supplementary question. Is the minister able to say that no employees of that branch have received letters informing them that they will be laid off at the end of this month?

Mr. MacLean (Queens): Yes. I think what the hon. member has reference to is the fact that four technical officers employed in the Atlantic provinces will be laid off effective March 31. This has resulted from a reduced requirement for staff due to the approaching completion of certain federal road construction in the maritime provinces. I might add that three of these members of the staff have been offered employment in other localities in Canada but have declined this offer.

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

DEPARTMENT OF AGRICULTURE

Administration branch—

675. Departmental administration—further amount required, $77,500.

(Translation):

Mr. Racine: Mr. Chairman, when we adjourned yesterday, I was saying that the government resorted to all possible publicity to praise certain measures it had implemented. Now, I shall tell you about the pitiful situation of the dairy industry.

There are 350,000 dairy farmers in Canada and 100,000 in the province of Quebec alone. That is why, of course, I made those few remarks yesterday and I should like to proceed along that line today.

While in 1957, every Canadian consumed an average of 1,021 pounds of dairy products, that figure fell to 940 pounds in 1960, and there is every indication that the consumption of those products is still decreasing.

Three years ago, Canada was the fourth highest consumer of dairy products in the world and it was only the sixth in 1960.

If you refer to *La Presse* of February 21, 1962, under the heading "Lowest farm income since 1957", you can read the following:

Net farm income, in 1961, including changes in stocks of grain and livestock, amounted to some $1,006 million, a decrease of 24 per cent from the adjusted estimate of 1960 ($1,319,600,000) and the lowest income since 1957 ($1,058,300,000).

Well, I think we are justified, Mr. Chairman, in regretting the government's attitude towards agriculture.

Recently, we heard the Prime Minister (Mr. Diefenbaker) stating on television that he would rely on his own record in the next election. I wonder whether the Prime Minister did not wish to compare his own record with that of the American cosmonaut.

Of course the American cosmonaut was in orbit three hours and some odd minutes, while the Prime Minister has been in orbit for four and a half years. Maybe that is why he cannot see the domestic problems.

As for his record, he should not forget that the capsule holding the American cosmonaut has been recovered, while his own not only has not been recovered but is not recoverable, and it will land in opposition on election night.

Mr. Pigeon: You have a leader—

(Text):

Mr. Herridge: Mr. Chairman, I wish to take advantage of this item, departmental administration, to deal very briefly with the policy of the party we represent in respect of agriculture. The parliamentary secretary to the Minister of Finance is looking askance at me, but I am quite in order and I shall be as brief as possible.

Everyone here who thinks at all about the development of our economy gives some consideration to the necessity for planning, whether it is in the field of agriculture, in the field of industry or in other aspects of

our economy, and recognizes that major planning must take place. Some want this planning under the auspices of the large corporations, others want it under government auspices, and others want it from other directions. However, I believe this principle is generally accepted in our modern society.

There are different approaches toward planning. I would say that in so far as planning for agriculture is concerned—I intend to use agricultural terms—the attitude of the Progressive Conservatives is one of somewhat laying back on the breeching; so far as the Liberals are concerned I would say they are pawing the ground, and so far as the New Democratic party is concerned I would say they are leaning forward and straining in the collar. In case some of our suburbanite representatives do not understand that language and are not acquainted with horses, possibly I should put it in other terms. I should say that members on the government side are inclined to have their foot on the brake; members of the official opposition have their feet on the floor, and members of the New Democratic party are stepping on the accelerator. I think in general that fairly describes the approach toward planning of the various groups in this house, and toward agricultural planning in particular.

If I might digress for a moment I might say that I am delighted to see the hon. member for Cariboo listening intently, as he always does during the discussion of agricultural subjects. I wish to give the house of piece of interesting information, of which perhaps it has not been aware before. The hon. member for Cariboo, I understand, is a graduate of the Red Star livery grain and feed stable, and he could write a thesis on "The horses I have known". I am glad to see the hon. member here today.

I do want to say a few words about our policy. First of all, let it be clearly understood that the members of this party are firm supporters of the economic family farm unit. We believe in the dignity of the individual, and we believe this is one way of maintaining it in this country. We believe in the very definite values of rural life which are being discarded in many quarters today for a less satisfactory way of life. We believe that the family farm could be and should be an economic production unit, and could be made so at the present time by each farmer having the necessary acreage of good land, the necessary machinery and the requisite skill in management. We also believe this way of life provides the opportunity to practice democratic planning and in so doing derive the benefits of the application of the principles of the mixed economy in which we believe.

There is a great opportunity here for the practice of these principles in our country life. It gives the opportunity for federal and provincial governments to plan, first of all, for conservation of our soil, forest and water resources in relation to agriculture. It gives the opportunity for planning in respect of research, which is very necessary and should be greatly increased. There should be more research in respect of production, and further research in respect of marketing. It gives also the opportunity for planning in respect of marketing legislation on both the federal and provincial levels. It gives the opportunity for planning a sound crop insurance scheme applicable to all branches of agriculture from the Atlantic to the Pacific. As a result of co-operation between federal and provincial governments the foundation in principle has been laid in the legislation passed by the house, but we believe it has to have wider application and apply to larger groups of people if the premiums are going to be such that the average farmer can pay them.

Now, the idea of the family farm unit also provides the opportunity for the development of co-operative ownership and, shall I say, the co-operative philosophy of life which has been so well illustrated in some Scandinavian and other western European countries. We could develop the co-operative ownership of processing plants and packing plants, as they are doing in the fruit industry. We could develop co-operative ownership of farm machinery where the investment is too large for a single farmer. This is happening in my own constituency, where fruit growers while owning some equipment, other expensive and heavy equipment is owned co-operatively. The co-operative packing house purchases it and it is owned co-operatively but used individually. This is another field that can be very well developed.

Then we have the development of farmers marketing in co-operation with federal and provincial planning and marketing boards. It also provides the opportunity for the government to co-operate even more closely than they do today with the farm organizations of this country. Finally, although we require this planning at federal and provincial levels and this extension of co-operative ownership in the ways I have mentioned, at the foundation we have the private ownership of the land by the farmer himself.

We believe that our program does provide the opportunity to practise the principles of the mixed economy in the co-operation of the farmers and their organizations. We believe

that development along these lines will provide basic security and maintain freedom, as well as lay the material foundation on which we can build a civilization that will provide the opportunity for the development of what I would term a genuine spiritual and cultural life.

Having dealt very briefly with the sort of over-all philosophy of our approach to agricultural policies and planning, I want to bring to the attention of the house the program for which this party stands, on what may be the last occasion before the advent of the day which, from our respective positions, we all look forward to or otherwise. The family farm is the basic unit of agricultural production and a desirable institution of our society. New Democratic objectives for agriculture are maximum food production for Canada and a hungry world, and effective marketing machinery to ensure fair and reasonable farm income.

Mr. Brunsden: On a point of order, Mr. Chairman, is this a debate on an estimate or an enunciation of a political party platform?

Mr. Herridge: This is a debate on the administration estimate of the Department of Agriculture, and it has always been the accepted practice that we can deal with policy on this occasion. If the hon. gentleman is getting restless I can assure him that I am not going to speak at great length, because in this party we are in the habit of putting good things in small compass.

We believe that we must free the farmer from the effects of the cost-price squeeze, and that we must lower farm production costs by ending monopoly control over farm machinery, fertilizers, chemicals and other supplies. We also believe in the extension of long term loans at low interest; and to offset the adverse effects of vertical integration of farm processes by private companies we believe assistance should be given to farmers to build co-operatives for processing and marketing their own farm produce.

Our party will assure producers of sufficient marketing power by (a) development of federal producer marketing boards to co-ordinate the work of provincial marketing boards; (b) encouragement of co-operative and publicly sponsored facilities for storing, processing and distributing farm products; (c) development of programs to increase domestic levels of consumption; (d) distribution of surplus food to the needy of other lands in such a way as to avoid economic dislocation, and support for the establishment of a world food bank; (e) vigorous and imaginative efforts to sell surplus products such as wheat, including the acceptance of part payment in sterling or currencies of other countries, long-term commodity agreements, credit arrangements, barter and other bilateral trade agreement; and (f), giving the wheat board permanent status.

I place this on the record as a brief summary of our policy, and with these few remarks I urge the government to consider this policy prior to the election period to see if it can embrace this policy which is the result of the thinking of farm organizations in co-operation with many segments of agriculture across Canada, and is the result of the experience and research of hon. members in this house and people from all parts of Canada.

Mr. Argue: This discussion has developed into a very general consideration of rather broad agricultural questions. We have just listened to a statement by my good friend the hon. member for Kootenay West in which he said many things with which I am sure all hon. members are in wholehearted agreement.

The agricultural industry of this country is based on the family farm, and in my judgment anything which interferes with that unit as the basis of agriculture is not only against the interests of agriculture but is against the general interests of the people. We have heard a great deal about vertical integration and I am afraid we shall hear a great deal more bout it in the future. Policies and action must be forthcoming to arrest a trend which I am sure all those interested in the agricultural industry must fear. That trend is the encroachment of large corporations in a field of production which better serves the nation in the control and ownership of the farm family.

Steps will have to be taken to remove some of the heavy burdens that fall on agricultural producers. One of the burning issues, so far as agriculture is concerned in every province and municipality, is the very rapidly growing taxation burden on farm property, and this taxation burden is one of the costs which help drive the agricultural industry into vertical integration.

The Liberal party has given a great deal of thought to an agricultural program. Certain aspects of its program have already been made public, and further important, far reaching and advantageous planks in the Liberal platform will be made public in the days and weeks ahead. One of the things which is already public information is the policy of providing loans to municipalities at reasonable rates of interest in order to provide them with credit facilities which are not now available to them for undertaking the essential work that is part of municipal government.

Mr. Brunsden: On a point of order, the hon. member is discussing provincial and municipal policy—

Mr. Argue: No, no.

Mr. Brunsden: —which has no point in this discussion. May I suggest that the hon. member is going entirely beyond the scope of the debate and should keep his remarks related to agriculture in Canada.

Mr. Argue: Another important national plank has to do with the provision of crop insurance. The present government has a so-called crop insurance program which is not working across the nation. It is working to a very limited extent in the province of Manitoba, and to such a limited extent as to be of very little value in the province of Saskatchewan. It is not really working in any other place, and many improvements will have to be made to the crop insurance scheme before it can work successfully.

One of the things which needs to be done is for the federal and provincial governments interested in this field to expeditiously work out means by which there can be a real insurance against the great losses that might result from a crop insurance plan. As the formula is set up now, with the very limited contribution by the federal government, the major part of the burden of serious financial losses falls upon the farmers themselves and the provincial governments. This has brought the crop insurance scheme almost to a standstill and in many respects has made it an unworkable proposition.

Another plank in the Liberal platform which will have great appeal to western grain producers, and which is not a slogan or something directed merely to gaining popular support with little chance of being implemented, is the provision of the two price system for wheat. This is a well considered part of the Liberal program, and on the advent to power of a Liberal government it will be inaugurated. Under the two price system, wheat consumed in Canada by Canadians will carry a parity price, a price higher than the international price. This will implement a unanimous demand by farm organizations for a two price system, and the benefits from this system will be paid to the agricultural producers on the basis of certain deliveries, so that the financial benefits will be divided among the producers in a more equitable fashion than if they were paid on a strictly per bushel basis for all deliveries.

Those are some of the planks that have already been made public. Others will be forthcoming, and they will be forthcoming on the basis of a responsible program that will be placed on the statute books of this country in due course.

Another question I would like to raise today is this. I appreciate the difficulty of the parliamentary secretary in answering or trying to comment upon some of these general propositions. There is one parliamentary secretary to the Minister of Agriculture in his seat. If anyone has any information on this question, I would like it given to this committee after I conclude my remarks. There is a drought crisis on the prairies, of which all hon. members are fully aware, and there is a real possibility that there may be a second disastrous crop failure in western Canada this year. A disastrous crop failure this year following the disastrous crop failure in 1961 would entail tremendous hardship for western farmers since their financial reserves have already been largely depleted. The surplus of grain built up on the farms over a number of years has largely gone. The government has decided—and everyone is in favour of this—to make as many payments as possible to the farmers in as short a time as possible. If there is a crop failure this year the amount of income that farmers will have will be exceedingly small.

There is another crisis in the west that is being superimposed upon this drought crisis. I refer to the forecast of one of the largest grasshopper and cutworm infestations in the history of western Canada. This is a further danger to the very limited prospects of a crop in western Canada in 1962. The farmers are very much aware of this crisis. It is a common topic; one hears farmers saying "What about the grasshopper forecast? What about possible cutworm damage? If we are lucky enough to have enough moisture in the ground for the crop to sprout, will the insects devour the crops, so that even if we get rains at a later date they will be of little advantage?"

There was a conference held in Regina on March 23. This conference was reported in the Regina *Leader-Post* of March 24. More than 450 persons crowded into the museum in Regina, representing municipalities, provincial government departments and the federal government. They discussed this crisis. My plea this afternoon to the parliamentary secretary is for the federal government to take some responsibility by assisting in the provision of the chemicals necessary to fight this plague. I mean financial assistance. I think this is exceedingly important. The cost of spreading dieldrin or sevin at first sight may not seem to be an exceedingly expensive proposition; it is from 15 cents to 25 cents per acre. However, that is only part of the cost. There is also the cost of application, and if there is a widespread outbreak of grasshoppers there will be farmers who will need to apply this chemical to the crops two or

three times. This is an operation that will cost—depending upon the method of application, whether the farmer has his own equipment or whether he has to hire it, whether or not he has to hire aeroplane service for air spraying—somewhere between 50 cents and $1 per acre. If a farmer has to do this two or three times it is a very heavy cost at a time when he has very limited financial resources.

This is the cost in connection with destroying grasshoppers. If the farmer has to spray for cutworms and uses dieldrin or other chemicals he has to increase the concentration four or five times, because cutworms have a heavy protection and it takes more poison to kill the cutworm than it does to kill the grasshopper. Therefore it will be a very expensive proposition to deal with the widespread cutworm infestation that is being forecast.

I know that last year the federal government, at the request of the government of Saskatchewan, provided some emergency aircraft, I believe through the Department of National Defence, to transport the chemicals from Toronto to Regina. But I think the federal government should do more. I think the federal government should take a lead and should be prepared to pay 50 per cent of the cost of these chemicals so this heavy burden does not have to be borne by the farmers who have suffered one crop failure, who have very limited financial resources and who, if they have to pay these costs entirely themselves, will either have to go on relief to obtain aid through the municipalities or, worse still, will have to say "We cannot afford it; we will just have to let the crop go". This is a practical proposition, whether a farmer should try to salvage a crop, when he does not know whether there will be anything left of the crop a month or so hence, at a cost of quite a large sum of money, money that he very badly needs, whether he should gamble his last few dollars, or whether he should say "Well, I cannot afford to salvage this crop".

There are other costs that farmers have to face at that time of year. They have to go out and spray for weeds. I know from my own experience last year that a great many farmers decided they could not afford to spray for weeds because they were so short of money, with the end result that where they did not spray for weeds there was no crop at all, and farmers who did spray for weeds got a small crop of probably three or four bushels per acre and found that the spraying of weeds was a good investment.

I am not putting these remarks forward, Mr. Chairman, in any way to condemn the government. As a matter of fact, if there is any condemnation called for I wonder whether the three provincial governments in western Canada are asleep. I do not know. I wonder whether they are asleep—

Mr. Brunsden: Saskatchewan is.

Mr. Argue: Apparently they are all sleeping, each as soundly as the other, because my information is that they have not made this kind of request. However, whether or not they have made it I would like to see the federal government take the lead and make the offer, because the farmers find that this heavy cost for these kinds of sprays is serious. Last year a great many of them had difficulty in finding the money necessary to deal with the grasshopper and cutworm outbreak, and it will be even more difficult this year.

I am making a plea to the parliamentary secretary to the Minister of Finance to use his good offices to convey what I have been saying this afternoon to his colleagues, in the hope that the federal government will take the lead now, will remove some of this burden from the producers and help deal with what is being forecast as a very, very serious outbreak of grasshoppers and cutworms in western Canada.

Mr. Bell (Carleton): We have heard two interesting speeches outlining some aspects of the policies of two parties. I resist with some difficulty commenting on the policy of the third and more important party, and will deal only with two specific matters which have been raised.

The hon. member for Assiniboia has mentioned the problem of drought on the prairies. I can assure him that all aspects of the lack of moisture are under the closest study by the government, and will continue to be. One would hope that his ominous forecast of an outbreak of grasshopper and cutworm infestation will not prove to be true, but the situation will be carefully studied by the government and I shall draw the attention of the Minister of Agriculture to the comments the hon. gentleman has made.

Yesterday afternoon the hon. member for Welland asked me for some information in connection with the amount of surplus butter which comes from surplus milk shipped by fluid milk producers. Because the hon. member has always been so genial I have endeavoured to obtain statistics which would be helpful to him. However, I regret that statistics concerning butter production are not broken down so as to indicate the origin of the milk from which butter is made, and I am therefore not able to give him the details which he sought.

Mr. Pickersgill: Before the item carries I should like to ask the parliamentary secretary if he could explain to us the reasons for this extraordinary increase in travel and removal expenses, amounting to $42,000. Even before they began increasing them in the further supplementary estimates the travelling expenses of this government were, heaven knows, astronomical compared with those of any government since confederation, yet here is another $42,000 for one department alone. How much of this, may I ask, represents the trotting around of all these publicity men attached to the Department of Agriculture?

Mr. Bell (Carleton): As to the latter, very little. The increase arises out of the implementation of the agricultural program by the minister and his staff as well as by the grain commission of the Department of Trade and Commerce, now on loan to the ministry of agriculture. There are also expenses in connection with the A.R.D.A. program, provision for which was not made in the main estimates. In addition there were attendances at international conferences exceeding the estimated provision by some $17,800. These expenses arose mainly from the FAO conference, from the OECD meetings and from GATT.

Mr. Pickersgill: Have the figures been kept separately so that we may know how much that totally unnecessary trip to Hong Kong cost?

Mr. Bell (Carleton): I confess that I am not aware of any unnecessary trip which was taken to Hong Kong. If the hon. member is referring to the journey undertaken by the Minister of Agriculture, I can only say that the results speak for themselves.

Mr. Pickersgill: They certainly do, because the agreement was signed two days before the minister got there. If anything was a sheer waste of money, that was. There is one further question I should like to put to the minister relating to this item and the next one. Can he say whether any part of this additional money is required to meet salaries or wages at the end of this month and, if so, how much?

Mr. Bell (Carleton): No, Mr. Chairman.

Mr. Argue: Could we know what amount of these travelling expenses was entailed in connection with the A.R.D.A. program?

Mr. Bell (Carleton): I am sorry, but I do not have the breakdown. It is not a large sum of money. However, I do not have the figures segregated.

Item agreed to.

Production and marketing branch—

677. Subsidies for cold storage warehouses under the Cold Storage Act—further amount required, $78,588.

Mr. Howard: Since this government took office a problem has developed with regard to these subsidies, arising from the fact that a limit of some $50,000 was placed on the subsidy in respect of cold storage facilities, compared with a total subsidy equal to one third of the total cost, which was the case before the government made the change. I have been given to understand that the reason the limit was placed on this subsidy was that an overabundance of cold storage warehouse space existed in the country, and it was therefore felt necessary to place some limit on the public funds being spent in this particular area.

I have no cause to complain in this regard, because I am not familiar with the agricultural production situation. However, I do say that this argument certainly does not apply in the case of fisheries products. I think it is most incorrect to lump together the paying of subsidies to cold storage warehouses intended for such different purposes as the preservation of agricultural products and of fisheries products. The circumstances are entirely different, and the fishing industry generally suffers as a result of this approach.

I know that for some months, in fact, ever since this change in policy was made, the Prince Rupert fishermen's co-operative has been attempting to get the government to reconsider its aproach and to look upon the construction of cold storage warehouses for fisheries products in a different light. We have asked about this in the house on a number of occasions. We have asked the Minister of Agriculture about it and we have also made representations to the Minister of Fisheries. We have spoken about it and written letters, but invariably we have received the same negative reply. As a result, as I say, the fishing industry suffers and people like those in the fishermen's co-operative are disappointed. This particular organization had made plans for the expansion of its cold storage warehouse, but when the members finally got around to taking practical steps they found themselves cut off because the government had changed the rules in the middle of the game.

I do not expect the parliamentary secretary will be able to tell us that the situation is to be changed right now. Perhaps if he could confer with some of the members of the cabinet he might get them to make an announcement. But I place this question before the government again. I point out the seriousness of this problem and I reiterate—because this seems the only way to get things done—

that it is the fishing industry which suffers because of the restriction which has been placed on this subsidy, restriction based entirely on the situation which existed with regard to agricultural products.

Mr. Pickersgill: I do not think it is necessary for me to add very much to what the hon. member for Skeena has said. There are many subjects on which we do not agree, but on this one on which we certainly do. When we made representations to the Minister of Fisheries on this subject last year we hoped that even this slow moving government would correct this situation and place the administration of the cold storage subsidy as far as fishermen are concerned under the Minister of Fisheries, where it might receive sympathetic attention. I urge the parliamentary secretary to use all the influence he has with the Minister of Finance and with the Prime Minister to see whether even at this late date—and perhaps because of this late date—the government might wake up to the fact that there is a fishing industry in this country.

Item agreed to.

Health of animals division—

678. Payment of compensation to owners of animals affected with diseases coming under the Animal Contagious Diseases Act, which have died or have been slaughtered in circumstances not covered by the above act and regulations made thereunder, all as detailed in the estimates, $8,417.

(Translation):

Mr. Clermont: About this item, I should like to ask the authorities of the agriculture department whether it would be possible to speed the work provided for under the Animal Contagious Diseases Act.

On January 18, 1962, the constituency of Labelle in the province of Quebec, was declared a brucellosis eradication area.

Could the authorities of the department proceed with that work as soon as possible?

(Text):

Mr. Bell (Carleton): I shall draw the hon. gentleman's comments to the attention of the proper authorities in the Department of Agriculture.

Item agreed to.

679. Supervision of race track betting—further amount required, $28,000.

Mr. Pickersgill: I should like to ask the parliamentary secretary to explain to us, in any capacity he wishes, either as the *porte-parole* of the Minister of Agriculture, as the hon. member for Carleton or as the parliamentary secretary to the Minister of Finance, the relationship between this vote and an item which appeared in the Ottawa *Journal* last night about a new race track here in Ottawa. Can he explain to us whether this track has been licensed by the federal government and how much extra it is going to cost the taxpayers to supervise this new race track?

Mr. Bell (Carleton): Under this particular item there is involved only the supervision of race track betting in the province of Quebec which was not foreseen at the time the main estimates were prepared. This is a self-liquidating item. As I think the hon. member knows, it is recovered from the take at the time of the betting. What my hon. friend is referring to is quite a different matter. My understanding is that the licensing of that particular project would be a provincial matter. Beyond that, it is a matter on which I confess I am not able to speak with any authority.

Mr. Pickersgill: Can the hon. gentleman say whether, even though its licensing is a provincial matter, it is not still supervised by the federal government?

Mr. Bell (Carleton): Oh, yes; it would be necessary to apply for the parimutuel licence and there will be supervision of the parimutuel racetrack betting. There are no funds in this particular item for that purpose.

Mr. Pickersgill: I understand that, but since the law is the same whether it is for this item or for any other item, perhaps the parliamentary secretary could say whether, before a parimutuel licence is given to one of these race tracks, the federal government ascertains that the original licence has been properly and validly granted. Or do they just assume that such is the case?

The Deputy Chairman: I recognize the hon. member for Hastings-Frontenac.

Mr. Pickersgill: I think the parliamentary secretary would like to reply to my question.

Mr. Bell (Carleton): This particular item applies only to the province of Quebec. A statutory levy of half of one per cent on all moneys wagered at tracks covers the cost of supervision. I regret that I am not able to answer specifically and directly the question asked by the hon. gentleman as to the extent of the supervision that is exercised over parimutuel race track betting licences which are issued. As I understand it, the position with respect to the particular one to which he has made reference is that there have been outstanding for a number of years appropriate authorities. If the hon. gentleman has anything specifically that he wishes me to get, I shall be glad to send him the information as soon as possible.

Mr. Pickersgill: I do not wish to hold up the item. However, there is a certain amount of natural curiosity about this matter, and perhaps it is enhanced a little by the names

which were published in that highly reputable journal—I refer to the Ottawa *Journal*—last night as the directors of this enterprise.

Mr. Bell (Carleton): That is not the way in which the hon. gentleman last described it. He accused them of libel.

Mr. Pickersgill: No. I said that a particular editorial was libellous, and it was libellous, but that does not alter the fact that even the best newspapers err once in a while. I was using the term "libel" on that occasion in a strictly technical sense in the hope of drawing the editor's attention to my remarks. Apparently I was successful. However, it seems rather odd—and perhaps the learned parliamentary secretary to the Minister of Agriculture could throw some light on the matter—that people can pick up old charters floating around and get into this business in that way without any current examination of their credentials. If the hon. member for Brant-Haldimand can throw any light on this matter I am sure the committee would be most interested.

Mr. Bell (Carleton): I think the situation to which the hon. gentleman refers is primarily a provincial matter. There is perhaps the unusual situation, namely that the Criminal Code places the federal supervision under the Minister of Agriculture. That has been the case for many years. Perhaps that is because of the type of tests that are made at the courses in order to ensure honesty in the parimutuel betting. I shall be glad to get any additional information for my hon. friend and send it to him.

Mr. Pickersgill: Thank you.

Mr. Webb: I have been told that with the setting up of this race track the estimated revenue of the province of Ontario will be in the neighbourhood of $3 million to $4 million per year.

Mr. Pickersgill: That seems very relevant.

Item agreed to.

Plant products division—

681. Contribution to Prince Edward Island, in accordance with terms and conditions prescribed by the governor in council, of one half of amounts paid by that province to potato growers in respect of their 1960 crop as compensation for losses due to fusarium rot to a maximum contribution by Canada of $300 in respect of any one farm—further amount required, $70,000.

Mr. Pickersgill: May we have an explanation of vote 681?

Mr. Bell (Carleton): This vote provides for the dominion contribution in a shared cost program with the province of Prince Edward Island for the payment of compensation to potato growers for losses due to fusarium rot in respect of the 1960 crop. The supplementary estimate is required to provide for the balance of the federal share of the program. The amount of $125,000 was provided in the further supplementary estimates No. 1. However, on the basis of actual claims paid by the province, which total $389,937, the federal share is $194,946. Therefore a further amount of $70,000 is required and is sought from the committee in this estimate.

Mr. Pickersgill: I remember this matter because it is something about which I was obliged to prod the government a great deal before they got on with it.

Item agreed to.

682. Agricultural lime assistance—further amount required, $1,362,000.

Mr. Pickersgill: Can the parliamentary secretary say why such a very large additional sum seems to be required? It looks like bad estimating.

Mr. Bell (Carleton): There has been an unexpectedly large increase in the purchase of agricultural lime and marl. That is what necessitates this supplementary estimate. As my hon. friend knows, the earlier estimates the preparation of which started in September and October 1960 were of necessity based on the tonnage of lime which was then expected to be moved to the farmers. However, the lime purchases—and I think we should consider it a good thing—greatly exceeded earlier purchases, and that is why it has become necessary to have this supplementary estimate.

Mr. Pickersgill: How does the total compare with that of the previous year?

Mr. Bell (Carleton): This is a very considerable increase. The total for this year is $2,662,000. In 1960-61 it was $1,400,000.

Item agreed to.

Special—

684. Estimated amount required to recoup the agricultural products board account to cover the net operating loss recorded in the account as at March 31, 1962, $4,861,998.

Mr. Pickersgill: This is a very considerable item. Can the parliamentary secretary say something about it?

Mr. Bell (Carleton): Yes. This item really arises out of the report of the Auditor General to the House of Commons. As the committee knows, the agricultural products board was established under the authority of the Emergency Powers Act by order in council 3415 of July 31, 1951, to administer food contracts and other commodity operations which may arise from time to time. The board was re-established under the Agricultural Products

Board Act of 1952. The purchase of agricultural products by the board resulted in a net loss of $4,861,998 as of March 31, 1961, mainly due to purchases of whole milk powder as a means of reducing butter production. The milk powder was transferred to the Department of External Affairs for donation to international relief agencies. The report of the Auditor General to the House of Commons for the fiscal year ended March 31, 1961 comments on this deficit and indicates that a parliamentary appropriation should be sought. The department and the government agree on a policy basis with the view which was expressed by the Auditor General. This vote is to regularize what he has suggested.

Mr. Pickersgill: It is just a bookkeeping item.

Mr. Bell (Carleton): Yes, it is really a technical point.

Item agreed to.

685. Estimated amount required to recoup the agricultural commodities stabilization account to cover the net operating loss of the agricultural stabilization board as at March 31, 1962, $23,139,333.

Mr. Pickersgill: This is a very big item, and perhaps the parliamentary secretary could give us a comparison with the last two fiscal years.

Mr. Bell (Carleton): The figure involved here is a total of $23,139,333. In the previous fiscal year the amount was $69½ million and in the fiscal year before that $57.6 million.

Mr. Pickersgill: I take it this is an item that does not occur in the main estimates at all, that this is only in the last lot of supplementaries each year.

Mr. Bell (Carleton): It is traditional that this item be in the final set of supplemental estimates.

Mr. Pickersgill: It is really analogous to the deficit of the C.N.R., in other words.

Mr. Bell (Carleton): My hon. friend is quite right. That is the position.

Item agreed to.

Atomic energy control board—

686. Administration expenses of the atomic energy control board—further amount required, $1,400.

Mr. Pickersgill: Before this vote carries, I would point out that it is now almost April 1 and I am sure the parliamentary secretary would not have come into the house without ascertaining from the genial, accurate and well informed Minister of Trade and Commerce the latest estimate of the date on which the British will actually come to terms with us about a contract. I see that the eager member for Halifax, the parliamentary secretary to the Minister of Trade and Commerce, is in the house, and as he showed he was so much readier to give us information than his minister I am sure he could confirm that April will not run out without this contract being made. Perhaps he can tell us it has already been made.

Mr. Bell (Carleton): I am very glad there is one thing on which the member for Bonavista-Twillingate and I can agree, and that is his description of the Minister of Trade and Commerce. There is nothing I can add on this particular item to the information which has been made available to the house, and I hope the expectations expressed to the house will be fulfilled.

Mr. Pickersgill: I should like to say one more word. Though the parliamentary secretary to the Minister of Trade and Commerce was really pretty specific the other evening, when a subsequent question was put to the minister he got the matter back into the ethereal realm of utter vagueness again. Can the parliamentary secretary assure us that when he said April he was speaking for the minister, and that April it will be?

Mr. Bell (Carleton): I am sure that the turn of events will establish exactly what the situation will be, and I am sure the hon. member will have his curiosity satisfied in due course.

Mr. Pickersgill: I really think I would rather have it satisfied by the parliamentary secretary to the Minister of Trade and Commerce. When the parliamentary secretary is here it seems unnecessary for another parliamentary secretary, who obviously cannot be as well informed about the subject, to have to speak in rather vague language for him. I wonder whether the parliamentary secretary to the Minister of Trade and Commerce can give us any indication of any further progress. Has any progress been made since he last made a statement to the house?

Mr. Morris: Mr. Chairman, the statement I made in the house when supplementary estimates No. 3 were before us was sufficiently specific. It was a valid statement. I am not in the habit of justifying remarks made on the basis of my responsibility, and the statement was intended to be made in the form in which it was made. The minister's subsequent remarks in no way denied the remarks which I made. The statement I made on supplementary estimates No. 3 was a responsible, accurate statement, and it is still a valid statement.

Mr. Pickersgill: I am very relieved to hear that. The difficulty is that they sometimes

forget to tell the Minister of Trade and Commerce what he is supposed to say in the house.

Item agreed to.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Indian affairs branch—

Reserves and trusts—

687. Operation and maintenance—further amount required, $59,500.

Miss LaMarsh: Mr. Chairman, on supplementary estimates No. 3 we discussed a particular matter I brought to the attention of the hon. lady with respect to the Indians of the Tsimpsean reserve in Skeena, British Columbia. At that time we went into the matter rather fully and the hon. lady indicated that she was going to recall the tenders as a result of the confusion which then existed. I am informed that the minister has received a number of communications, including a band council resolution and a letter and perhaps a telegram from the band itself, since a copy of a letter dated March 24 has been sent to me. I wonder whether the minister can advise the house as to the present situation, in view of the fact that it appears that the band council, with the endorsation of the band, unanimously passed a resolution on March 23 indicating that they are opposed to the calling of new tenders.

The committee may recall that it was suggested by myself and other hon. members, which suggestion was acceded to by the minister and certainly with our approval, that new tenders should be called. However, apparently the Indians whose property it is are not pleased with such a decision. In the Prince Rupert daily *News* of March 23 there is a headlined story of an interview with Chief Sampson of the band, in which he indicates that he desires that the unsuccessful bid of the two received should be accepted. From all correspondence and statements it appears that the chief bases this first of all on the band's understanding of this particular offer, the Beaufort bid, and on some of the items which I brought to the minister's attention, particularly reforestation and the road. Furthermore, the band council is also concerned that if new tenders are called almost a year may elapse, and as there was no work for these Indians last year they are concerned that there be immediate work and immediate development of their resources. I am further informed, and I have no support for this statement but perhaps the minister can verify it, that the short term export market at least for such timber is unsteady, and there may be some amount of pressure with respect to letting the contract immediately.

While I am on my feet I also wish to inquire of the minister whether certain remarks made by the hon. member for Bonavista-Twillingate have been followed up by her branch in any way. They had to do with consultation between her branch and the Department of Trade and Commerce with a view to obtaining some idea whether this and similar timber may be exportable and will receive an export permit, particularly in view of the fact that on June 26, 1960 the Prime Minister, when dealing with legislation providing for the creation of the Department of Forestry, quoted with great approval a recommendation of the standing committee on mines, forests and waters in the following words:

> Your committee feels that Canada cannot afford to ignore a potential so great for lumber and pulp sales as is offered in the Orient and, therefore, it recommends that these markets be approached on an open minded basis.

Because the Prime Minister himself seemed to be aware of the necessity for expanding our markets in that regard, I wonder whether the minister can advise the committee whether there have been exploratory talks between the two departments with a view to ascertaining that such timber, no matter who cuts it, whether it be the Indians or someone else, will be exportable; because this will have a considerable effect on the price of the timber and the amount of any bid.

I should like it to be firmly understood that my view still is that because of the great confusion which developed over the awarding of this contract it would be preferable, as it always is in such cases, to call for new tenders, but I must confess that I am concerned about the Indians' concern and about their very clearly expressed resolution and desire to have a deal of which they know the specifics.

The minister told the committee a matter of a couple of weeks ago that she was sending a commissioner out there. The commissioner appears now to be speaking to the public press, according to reports. He was to go to the Indian band and explain both bids to them. He appears to have done this; at least there has been a sufficient lapse of time to do so. Nevertheless, under date of March 24 there is a letter, which I believe the minister has, from the band council in which these people are most explicit about desiring one particular bid to be accepted.

Now, I cannot suggest other than that this must cause the minister great concern. Certainly it causes concern to anyone who is interested in the two problems, the one of calling for new tenders and the other of satisfying the Indians. I wonder if on these points the minister would advise the committee what she plans to do and, in addition, whether she could advise us if anything has been

done by her department in consultation with the Department of Trade and Commerce about export permits.

Mr. Bell (Carleton): Mr. Chairman, the particular supplementary vote which is before us relates only to forest fire protection. As the hon. lady knows, the past year was a disastrous fire year throughout Canada, and this amount of $59,500 is required for unpaid accounts in five of the provinces.

In so far as the matter which the hon. lady raises is concerned, I might say to her that as of the present time new tenders have not been called. The representations which she has made will, of course, be considered in due course by the minister.

Miss LaMarsh: I do not want the parliamentary secretary to be under any misapprehension that I am making representations on behalf of any group except the Indians, according to their clearly expressed wishes in the resolution. Of course the minister is their trustee in this regard. I do not suggest in any way, that any decision that has to be made is easy, but I should hope the minister would be able to advise the committee just what she plans to do in view of the fact it is getting rather late in the season and apparently if there is any delay in the further calling of tenders, the Indians will suffer. The last time tenders were called it took almost a year from the time of the original negotiations until the time the tenders were received. If such a delay occurs now, then the Indians will be deprived of income, work and training. It is on their behalf that I am making these inquiries, and on behalf of no other person.

Mr. Bell (Carleton): I am sure the hon. lady can be confident that the minister will take a decision based solely upon the good of the Indians who are involved.

Miss LaMarsh: I take it, then, she has made no decision.

Mr. Howard: I do not wish to be unkind about it, but I should hope that the situation would be as represented by the parliamentary secretary. I should like to make a few brief comments on this problem because, unfortunately, I was absent when it arose earlier. However, I do not wish to get involved in the intricacies of the negotiations. Unfortunately the natives themselves, as I know from speaking with the Indian people, do not trust Commissioner Boys. I have had this view expressed to me by many of the Indian people at Fort Simpson, the Queen Charlotte islands and over on the Babine agency. They do not have that degree of trust in Commissioner Boys which is necessary for the proper conduct of negotiations between the Indian affairs branch and the natives themselves. They do not feel particularly confident, either, about Mr. Brett. I do not know whether this results from a misunderstanding as between Mr. Brett and the band council itself or from the inability or failure of Mr. Brett to fully explain all that was taking place. It could be for some other reason entirely, but they do not have that degree of confidence in Mr. Brett which is necessary.

The lack of trust in these individuals is understandable, because the natives have been exploited by the so-called white people for many years. This has developed almost an inherent feeling of distrust for any of our dealings. I am very much afraid of what might happen in this particular instance if there is anything in the future which smacks of dishonesty or which leads to misunderstanding. If the situation should arise the band might well say "All right, we will just keep the timber" and the Indians will remain in economic stagnation for another 10 or 15 years. This is the greatest fear I have as to what could result from the situation which exists there.

Incidentally, this feeling is not confined to Fort Simpson. There are other villages involved in the sale of timber, and they have had relationships with Mr. Boys and Mr. Brett. These people are also now a bit reluctant and concerned about how far they should go in these particular negotiations. It would be my thought that the recent attitude expressed by the band council in the letter to which reference was made should be the point of view that should carry the most weight with the department. This was a unanimous decision of the band itself, but Mr. Boys expressed some disagreement and said it was not unanimous. Evidently the band expressed some preference for one of the two bidders in connection with the sale of this timber.

Perhaps it may be necessary to engage outside legal counsel—I know the band has consulted lawyers—to ensure that the interest of the people there are protected to the fullest possible extent. I am not sure whether this step may be necessary now. I am afraid that unless this is done the results may be injurious to the band itself, and could very easily contribute to the destruction of that mutual trust we are trying to develop between ourselves and the native people of this nation. This mutual trust is difficult to establish because the history of our dealings with these people is not particularly clean.

In my opinion our sole concern should be to protect the interests of the Indians to the fullest possible extent and to move toward the development of this mutual feeling of

trust. Unfortunately, as I say, whether it was deliberate, by reason of inefficiency or just misunderstanding, the native people in Tsimpsean and elsewhere do not have that degree of trust in Commissioner Boys or Mr. Brett which is so necessary. Neither do they have a very high regard for Mr. Ewen, the officer in charge of the Skeena river agency which covers the particular area.

Miss LaMarsh: I should like to direct some questions to the minister in respect of this matter. I have been informed that there was a company created on the west coast called Nishka Pacific Forest Products, a company which was composed entirely of Indians and which chose to apply to cut timber on the Nass reserve. I understand they were told by Paul Brett, the forester for the branch in British Columbia, that if they were ever entitled to cut the timber they would have to replant the areas which they cut.

I have no supporting evidence with respect to this. I have only been told it and I would ask the minister to inquire into the truth or otherwise of such a statement because, if true, it appears most peculiar in the light of the fact that the minister had advised that it was the same Mr. Brett, among other people, who had given advice that this particular land should not be replanted.

I am further informed that at the same time the application was made some indication was given that no private company would ever be allowed to cut timber on the Nass reserve, but I am informed that at the same period there was correspondence being carried on between the department and at least one private interest seeking to cut timber there. If some of these allegations are true they would appear to be almost diametrically opposed to the remarks allegedly made and supported by affidavits and photostats, which we discussed in this house a couple of weeks ago, emanating from the same source, Mr. Brett. I would ask the minister if she has any knowledge of these matters to advise the committee, and if not I would ask her to ascertain the truth or otherwise of such charges and advise the committee.

Mrs. Fairclough: It is not usual for a minister to intervene during discussion of these final supplementary estimates but, with the kind permission of the house, I would like to make a few remarks. I shall of course inquire into the matters which have been raised but I think I should have a little more information. If the hon. member for Niagara Falls will tell me the source of the information or the rumour she has heard with reference to the Nishka lumber company, I shall have it investigated. The other matters are presently under consideration, as the parliamentary secretary to the Minister of Finance has indicated.

I would just like to say one word about the relationship of Indians with members of the Indian affairs branch. As the hon. member for Skeena has so rightly said, a great deal depends on the trust which is imposed by the Indians themselves in the officials of the branch. From time to time complaints reach me with respect to one civil servant or another who is allegedly not acting in the best interests of the Indians, but quite frankly I can only think offhand of one instance where there appeared to be any real evidence that such was the case. In that particular instance the matter could be traced directly to what might be regarded as a slightly high-handed attitude on the part of the individual involved, and was not due to any intention on his part to do anything that would in any way injure the Indians.

Because of this situation I deplore more seriously than I can express in words any references in this house to the actions or the intentions of members of the branch who may be serving the Indians in the field because these things will undoubtedly get publicity. What I fear then is that the trust of the Indians in these officials charged with the responsibility of administering their affairs will be destroyed.

That does not mean I am not anxious to explore any real difficulties which there may be, and if any hon. members have reason to believe that any member of the department is not doing his best for the Indians, and if they let me know, then I pledge my whole support to a complete investigation into the circumstances of which they have been made aware. I am reasonably sure that any hon. members of the house who have had close association with the Indians will understand my concern in this regard.

We have even had instances where half a band was actively supporting a superintendent while the other half was making charges against him. These are very difficult things to unscramble if the situation deteriorates. The obvious solution is to remove the individual involved and put someone else in his place who can effect harmonious results in the administration of his duties. Sometimes an administrator who is not completely acceptable to one band will be much beloved by another band with which he later has association.

Therefore I plead with hon. members not to destroy the faith of the Indians in the members of the branch who are charged with the administration of their affairs, but I shall certainly take every means at my disposal to

investigate any real charges which are made against any members of the branch.

Mr. Pickersgill: I would like to say a word about the last point made by the minister. I am sorry I have not got the newspaper clipping with me, but I read a story in one of the newspapers the other day about a statement which was attributed to the commissioner in British Columbia about the incident to which my hon. friend from Niagara Falls referred the other day. I am sure the hon. minister has seen the statement to which I refer.

Now the minister knows I am not one who criticizes civil servants in this house. I was once a civil servant myself and was criticized by some of the hon. lady's friends in this house, but I did not make any reply at any time to those criticisms. However I was really very shocked to read this report. It may be that this gentleman said something privately that was published without his knowledge. He should not even have done that; but if he said in public, for publication, what he was supposed to have said about the hon. lady then he should be very severely reprimanded because civil servants should remember that they are not elected to this house and it is not their business to make any kind of comments whatsoever about the conduct of hon. members in this house.

The report to which I refer was published several days ago and I am sure the hon. lady's attention has been directed to it, because I know how efficient her department is. I mean that genuinely. I am sure she has already investigated it and will be able to give some explanation for it. If she cannot I would ask that it be investigated and a report made to the house. This is the kind of thing that really is an attack on the privileges of the house.

Mrs. Fairclough: It is of course one of the peculiarities of the civil servant that he is defenceless unless someone rises in this house to defend him and that his activities can be attacked, whether fairly or unfairly, by any member of the house who then is protected by the immunities which are attendant upon the position of an hon. member in this chamber.

I have seen the article referred to by the hon. member. I do not think it attacked any individual. I think it attacked statements which were made, and I agree it is deplorable that it should have reached the press. However, as the hon. member suspected, I made inquiries about its origin. I also suspect he was right when he thought that possibly it was an offhand remark made in private which has found its way into the newspapers, but I agree with him that it should not have been made in any event. The matter is being investigated.

Mr. Pickersgill: I have just got the report now. I am not going to put the gentleman's name on the record. I shall, however, read the words that are in quotation marks in the newspaper article because for my own reputation I want hon. members to know that I am not raising this matter lightly. What this civil servant is supposed to have said is that Miss LaMarsh's charge was:

> Utterly false and not deserving of any other comment.

No civil servant should be making remarks like that about us in this house, however irresponsible, silly or false he may think we are. If the minister wants to say that the hon. lady's comments are irresponsible, false or not deserving of any other comment, if she can get by the Chair by using the word "false", that is what we do in this house. But I felt this was a matter of sufficient importance in the circumstances to have it made clear. I am sure the hon. lady from Niagara Falls would be the last person who would want any other kind of discipline taken, but one worries a little about the attitude that would prompt a civil servant even to make that kind of observation in private, because we have a duty in this house to try to see that the public affairs are properly carried out.

Mr. Howard: Mr. Chairman, I will not go as far as the hon. member for Bonavista-Twillingate in his references to members of the public service. It seems to me that if one of them is mentioned by name in the house—and I do not know whether or not this is the case with the individual involved—and attached to that reference is an accusation of some sort, the minister certainly and the individual concerned should have the right to make comments contrary to what was said and put forward their point of view as to the true state of affairs. I do not think a member of parliament should be in the position of being able to level accusations against members of the public service and expect them to remain absolutely silent. That is one thing.

The next point I wish to refer to—and I think perhaps the minister misunderstood the point I was making—is in connection with Indian commissioners Mr. Boys and Mr. Brett. I took down two or three of the minister's words to get across what I am getting at. She made reference to any evidence that these people are not working in the best interests of the natives, or if their actions or intentions are detrimental to the natives, and so on. The minister asked us—I am not saying that she

asked me directly—not to destroy the faith that the Indians have in the officials of the branch.

This is not the point. It is not whether there is evidence of malfunction on the part of the individual, whether any official in the Indian affairs branch has done something wrong, or whether his intentions or actions are as the minister said they should be before she will take action. I am complaining about a feeling which exists among native Indians and their attitude generally to the Indian affairs branch. I mentioned Mr. Boys because he was involved. This occurred in British Columbia and Mr. Boys and Mr. Brett were up at Port Simpson and were involved in this matter. I mentioned these gentlemen only because they were two officials of the department who had dealings with the Port Simpson band, and the fact is that the Port Simpson band does not have a great degree of trust in the Indian affairs branch or in these individuals. That is what I was saying; not that Mr. Boys had done anything wrong or that his actions or intentions were not in the best interests of the native Indians, but I was referring to the feeling on the part of the Indians toward the officials of the branch. I can understand this because our history of the exploitation of these people is very black indeed.

This attitude exists and that is why I say it is even more important in dealings with native peoples for the Indian affairs branch to bend over backwards to ensure that every "t" is crossed and every "i" is dotted in any contracts or relationships with the Indians. We have to do this. It may be necessary to go outside of the branch in order to have some neutral person involved in some of these negotiations or contract discussions to ensure that we do everything we possibly can to build up the faith of native peoples in the non-Indian peoples. This is all I am concerned about and all I am getting at. I have no desire to say anything wrong against Mr. Boys or Mr. Brett or anybody else within the branch, regardless of what feelings I may have about them. These have nothing to do with the feelings of the Indian people toward them. This is the sole key to the matter I am concerned about, and unfortunately I do not think this attitude is being promoted in the department.

Item agreed to.

Welfare of Indians—

688. Operation and maintenance—to increase to $65,000 the grant to the province of Manitoba of one-half of the cost of a program of community development and to provide a further amount of, $765,000.

Mr. Pickersgill: Mr. Chairman, I wish to raise another matter that was brought to my attention this morning by a telephone call from Mr. Robert Angus, the editor of the Fort Nelson *News* in British Columbia. He was speaking on behalf of the chamber of commerce in that place about the state of the Indians at the Prophet river reserve, where it appears that there is an acute epidemic of hepatitis. I am not giving this information on my own responsibility but as information given to me. I say at once it is not information that I have personally and I am not making any charges; I merely want to bring this matter to the minister's attention so that it can be investigated immediately. Apparently the whole settlement of Fort Nelson is aroused over the situation of these Indians, and the reason they are apparently unable to resist this disease is acute malnutrition of a very serious kind.

As I say, not knowing any other facts about it I cannot give any more information than I have now given to the minister. Mr. Angus told me he sent last night by air mail a copy of the newspaper containing his article and setting out the facts in this matter. If the facts are such as he sketched to me there does seem to have been a very serious neglect of the welfare of these Indians. As I say, I have no means of knowing by whom. I intend to send the newspaper to the hon. lady as soon as I get it, but I felt that even one day should not be lost and that the matter should be brought to her attention immediately so that an immediate investigation can be made of the situation. Apparently almost the whole of this group of people are suffering from malnutrition, and now from a very serious malady as well, according to the information that has been given to me.

Mr. Bell (Carleton): Mr. Chairman, I am advised that the responsibility and jurisdiction would rest with the Department of National Health and Welfare. I am sure the Minister of Citizenship and Immigration will take note of what has been said, and I assure my hon. friend that the moment the committee rises I will communicate the information he has just given to the Minister of National Health and Welfare and ask him to take appropriate action.

Mr. Pickersgill: I thank the hon. gentleman for reminding me of the constitutional responsibility, which I was not exactly unaware of before being reminded. But the Department of National Health and Welfare does not in fact have a doctor or health facilities on every Indian reserve. In connection with every Indian reserve there is an Indian superintendent and the primary responsibility is with the

Indian superintendent to bring these conditions to the attention of the medical authorities. I know the hon. lady herself recognizes that thoroughly.

I had not intended to say this, but the parliamentary secretary, in order to exonerate the Department of National Health and Welfare, has obliged me to say that there is the most acute criticism of the superintendent in this particular case in connection with this matter. As I say, I have no personal knowledge of the facts but this is one of those situations that appears to have aroused a whole community and I cannot think that responsible people such as the chamber of commerce and the editor of a newspaper would have been aroused about something that is not serious. I cannot think that responsible people like the members of this chamber of commerce and the editor of the newspaper should have been aroused about something which is not so. I hope the hon. lady will give us an assurance that something will be done about this right away.

Mr. Bell (Carleton): It will be treated on a basis of urgency.

Mr. Cardiff: If this is so important, why did they not contact the government instead of the hon. gentleman?

Mr. Pickersgill: Perhaps the hon. gentleman might write a letter to Mr. Angus and ask him that, or he might write to the chamber of commerce. I did not see any particular reason why I should be rude to someone who had taken the trouble to telephone me about a matter of public importance. For all I know he might have communicated with the minister as well. He might have communicated with the Minister of National Health and Welfare. How do we know? The Minister of National Health and Welfare is not here. It may be that attempts have been made to communicate with the local officials. I am sure that if he had communicated with the hon. lady she would have done something about it. Maybe he communicated with the local officials and got no satisfaction. I might add that this seems to be in the same region as that matter which my hon. friend from Burin-Burgeo brought to the attention of the house the other day. Maybe more needs to be looked into in this particular area.

Mr. Martin (Essex East): Since it is almost five o'clock, I cannot reply at any length to what the hon. member for Huron has said. He comes from my own section of the country, and his question would be noted. I think the logical reply to his question is that a request was made to my hon. friend from Bonavista-Twillingate in the same way as requests are continually being made to members of the opposition, simply because this government with regard to many things is not doing its job.

Mr. Cardiff: Anything that is brought to the attention of my minister is looked after. It does not take him 22 years to look after a request.

Mr. Pickersgill: I had temporarily forgotten the fact that the hon. member for Huron is the parliamentary secretary to the Minister of National Health and Welfare. Perhaps he could explain this whole situation to us right now.

Mr. Cardiff: I have no intention of replying right now. The matter will be brought to the attention of the minister; I can assure the hon. member of that.

Mr. Pickersgill: Did the hon. gentleman know anything about this situation before it was mentioned in the committee?

Mr. Cardiff: Not before the hon. member mentioned it, no.

Mr. Martin (Essex East): May I ask the parliamentary secretary whether there are any health services in that particular area?

Item agreed to.

SECRETARY OF STATE

Civil Service Commission—

689. Salaries and contingencies of the commission including compensation in accordance with the suggestion award plan of the public service of Canada—further amount required, $5,000.

Mr. Pickersgill: This item has to do with salaries and contingencies. Is someone not going to be paid if this $5,000 is not voted?

Mr. Bell (Carleton): This vote represents the cost of an increase in the numbers and amount of awards granted under the suggestion award plan.

Mr. Pickersgill: Can the parliamentary secretary give us an estimate of the amount which has been saved to the treasury in respect of which we are recompensating these people to the extent of $5,000?

Mr. Bell (Carleton): No, I do not have an exact figure.

Item agreed to.

DEPARTMENT OF DEFENCE PRODUCTION

A—Department—

690. Care, maintenance and custody of stand-by defence plant, buildings, machine tools and production tooling—further amount required, $100,000.

Mr. Chevrier: I regret the Minister of Defence Production is not in his seat. I think he should be on this occasion because this is a substantial amount of money having to

do with the care, maintenance and custody of stand-by defence plants, buildings, machine tools and production tooling. I should like the minister to have been in his place because he might have given us an explanation of his presence at a certain meeting in Quebec held not so long ago and having to do with a sulphur plant. I should like to know from the minister whether or not this is one of the projects which could be described under this vote, namely, a defence plant. After all, several ministers were at this meeting, and the Minister of Defence Production has given little or no explanation for his presence. Perhaps if the minister cannot explain the nature of that project, the parliamentary secretary can.

Mr. Bell (Carleton): This vote is one which will be of great advantage to the maritime provinces. It deals with repair and stand-by facilities and covers the cost of inhibiting, packing and shipping the CS2F tracker aircraft tooling presently in the plants of two contractors in Ontario, the De Havilland Aircraft Company and the Canadian Car division of the A. V. Roe Company, to the plant of Enamel and Heating Products Limited at Sackville, New Brunswick. The aircraft are being transferred from central Canada to the maritimes.

Mr. Pickersgill: Can the parliamentary secretary say whether this is a true supplementary estimate or whether it is a new project which was not foreseen at the time supplementary estimates No. 3 were brought before us?

Mr. Bell (Carleton): It is a true supplementary. The cost of the tooling was not foreseen at the time the main estimates or the earlier supplementary estimates were drawn up.

Mr. Pickersgill: Even No. 3?

Mr. Bell (Carleton): Those estimates, of course, as the hon. gentleman is aware, were really prepared at the same time as estimates No. 2, back some time in January. The actual preparation of the estimates, as the hon. member knows, takes place some time before they are tabled in the house.

Mr. Martin (Essex East): Is there any production actually going on, or does this represent an effort to have this plant in readiness in the event work is available?

Mr. Bell (Carleton): The vote is for repair and overhaul.

Mr. Martin (Essex East): Is there any production under way? How many men are employed, for instance, in production, if there is any production?

Mr. Bell (Carleton): My understanding of the vote is that it is for repair and overhaul. The general purpose of the main estimate, to which this is supplementary, is to provide for the cost of care, maintenance and custody of defence plants in a stand-by condition, and for the care and maintenance of buildings, machine tools, equipment and production tooling including cost of dismantling, packaging, crating, transportation, repairing, inhibiting, storage and other expenses incidental to the preservation of such facilities which may be required again. This is a transfer of those facilities, as I have indicated to the committee.

Mr. Martin (Essex East): My question has not been answered. Are these plants in production or is this something being built up in anticipation of anything in the future? Perhaps there is nothing ahead and this merely represents maintenance work. What is the situation?

Mr. Bell (Carleton): I am advised that this is in respect of continuing repair and overhaul. This is to continue the work.

Mr. Martin (Essex East): Continued overhaul of what? Surely you do not continue to overhaul a plant from which no production is carried on. Is there any production of any kind going on? If there is not, what is the purpose of keeping these plants in a state of preparedness? There may be a good reason. Is this part of the government's policy of meeting the problem of unemployment in chronically distressed areas? Is the government at long last listening to the pleas of the Liberal opposition that it should do something about unemployment? Is that what this means? We want to know. This is a good example of a situation which would be more easily dealt with if the minister himself were present to tell us the answers.

Mr. Bell (Carleton): I shall be glad to tell the hon. gentleman now. This is for the annual repair and overhaul of the CS2F tracker aircraft. These are stationed at various points in the maritime provinces and are brought into this plant belonging to Enamel and Heating Products Limited for repair and overhaul.

Mr. Pickersgill: This is a stand-by plant? It does not relate to plants already in production? The wording of the vote itself would seem to be misleading. If this plant is in actual operation—and I sincerely hope it is —it should be placed under some other vote. It should not be under a vote for a stand-by plant. Perhaps the parliamentary secretary could make some inquiries and let us know more at eight o'clock.

Mr. Martin (Essex East): Perhaps he could have the minister here, too.

The Deputy Chairman: It being five o'clock it is my duty to leave the Chair so that the house may proceed with the consideration of private and public bills under standing order No. 15.

Item stands.

Progress reported.

PRIVATE BILLS

EVANGELICAL MENNONITE MISSION CONFERENCE

The house in committee on Bill No. S-5, to incorporate Evangelical Mennonite Mission Conference—Mr. Muir (Lisgar)—Mr. MacEwan in the chair.

On clause 1—*Incorporation.*

Mr. Muir (Lisgar): For the benefit of the committee I should like to assure hon. members that the bill has been given a proper consideration in the other place and also in the miscellaneous private bills committee of this house. The bill incorporates the same procedure as that which is used in the establishment of the central administrative bodies of churches of all faiths. I might say that, with the Easter season approaching, it would seem appropriate that we consider this measure in committee at this time and subsequently give it third reading.

Clause agreed to.

Clauses 2 to 17 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

NATIONAL ENERGY BOARD ACT

APPLICATION OF PROVINCIAL DRAINAGE LAWS TO PIPE LINES

Mr. W. H. A. Thomas (Middlesex West) moved the second reading of Bill No. C-33, to amend the National Energy Board Act (drainage works).

He said: Mr. Speaker, this bill was brought before the house previously on December 13, 1960. By reference to the debate on that date the arguments presented at that time are available to the members of the house. The bill presented this year is similar in all respects to that presented in 1960. It provides as follows:

Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

[Mr. Pickersgill.]

1. Subsection (1) of section 75 of the National Energy Board Act is repealed and the following substituted therefor:

"75. (1) Sections 207 to 246, section 248 and section 273 of the Railway Act, in so far as they are reasonably applicable and not inconsistent with this act, apply *mutatis mutandis* to companies and their works and undertakings."

Then section 2 of the proposed amendment would repeal section 77 of the National Energy Board Act and substitute the following therefor:

"77. (1) Except a drain used to drain land that for the purpose of municipal assessment is classed as a farm, market garden, or nursery, no highway, private road, railway, irrigation ditch, drain, drainage ditch, sewer, telegraph, telephone line or line for the transmission of hydrocarbons, power or any other substance shall, except by leave of the board, be carried across, along, upon or under any pipe line.

The history of section 273 of the Railway Act, which the amendment aims to have included in the National Energy Board Act, would make pipe lines operating under federal charter subject to provincial drainage laws as are pipe lines operating under provincial charter.

Back in 1903 this house spent many days debating an amendment to the Railway Act as it existed at that time in order that farmers might be adequately protected against large railway corporations when it came to settling drainage crossings on railway properties. Our Canadian sense of fair play provides that those in a contest should have equal ability; that is to say, we do not pit a large corporation against a small private individual. That procedure is not fair. In 1903 the debates surrounding the advisability of introducing or creating section 273 of the Railway Act centred around that principle. It was felt that individual farmers and drainage authorities had neither the resources nor the wealth to contest successfully the points of law and points of advantage with the great railway corporations of those days. The net result was that section 273 was incorporated into the Railway Act in order to compel the railways to carry across railway property, at the expense of the railway, farm drains and drains provided for by drainage authorities. When the Pipe Lines Act was set up, although 40 some sections of the Railway Act which involved provisions for the expropriation of land and settlement for the same were incorporated into the Pipe Lines Act, section 273 of the Railway Act was left out. Therefore the individual farmer and drainage authorities in the various parts of Canada were left to fight an unequal battle against the great pipe line corporations.

When the National Energy Board Act was introduced in 1959 and passed by the house, again section 273 of the Railway Act was

omitted, although 40 some sections of the Railway Act were incorporated in the National Energy Board Act. Having regard to the way in which the act is being administered, it is now felt that section 273 should be incorporated into the National Energy Board Act. It is felt that the provisions of section 273 of the Railway Act are just as necessary today in the National Energy Board Act to protect individual farmers and drainage authorities against the great pipe line corporations as the provisions of that section of the Railway Act were necessary back in 1903 to protect the farmers and drainage authorities of those days.

As an indication of the attitude of the pipe line companies, I might say that there are now four pipe lines crossing Middlesex West. Three of them operate under provincial charter and therefore are subject to the provisions contained in section 273 of the Railway Act. In other words, they are subject to provincial drainage regulations. One of the four pipe lines which crosses Middlesex West, Interprovincial Pipe Line Company, operates under a federal charter and does not come under the provisions of the provincial drainage legislation of Ontario. The result is that when a farm drain or a municipal drain has to be run across the right of way of any one of the three pipe lines of Sun oil, Imperial oil and Union gas, those three lines must pay the extra cost which is occasioned by their presence or operation there. There is no question that they pay these costs and as far as I know everyone seems quite happy with the situation.

However, Interprovincial Pipe Line Company, operating under a federal charter, does not come under these provincial drainage regulations as contained in section 273 of the Railway Act, with the result that they do not pay the costs of such crossings. They assess these costs against the individual farmer or against the municipal drainage authority.

It is true that up to the present time, with one exception as far as I know, individual farmers and drainage authorities who have constructed drains across the right of way of Interprovincial Pipe Line Company have agreed to the conditions laid down by that company which assess the whole cost against the farmer or the drainage authority.

I should like to outline the conditions laid down by Interprovincial Pipe Line Company with respect to such crossings and to do so I should like to place on the record a letter from Interprovincial Pipe Line Company to Archibald, Gray and McKay, Ontario land surveyors, London, Ontario, dated January 21, 1960. I wonder, Mr. Speaker, whether I could have permission to have this letter included in *Hansard* rather than reading it. It is composed of three sheets.

Mr. Speaker: It is not customary to read at great length from documents in the course of a debate. Can the hon. member not select enough to make his point?

Mr. Thomas: It is rather difficult to make the point inasmuch as the conditions that are laid down cover approximately two pages. I think they are important to the case we are trying to make because the conditions laid down by the pipe line company are strongly biased in favour of the company. As a matter of fact, they load on the back of the individual farmer or drainage authority all the responsibility for carrying the drain across the pipe line and for maintaining it in the future. If there is objection to including this in *Hansard* without my reading it, I shall read those parts which I think should be included. They say in part in their letter:

As there are, as yet, no regulations covering such crossing, this company will request the national energy board to include in their order the following conditions:

1. Except as hereunder provided, all work in connection with the construction, maintenance, renewal and repair of the proposed crossing of the company's pipe line by the drain of the applicant and the continued supervision of the same shall be performed by the authority having control over such drain, or the owner thereof, as the case may be, at its own cost and expense, unless the renewal or repair is made necessary by the negligence of others. No work shall at any time be done in such a manner as to unduly obstruct, delay or interfere with the operation of the company's pipe line. Notwithstanding the foregoing, all work which might disturb the pipe, which necessitates re-aligning, raising or lowering the pipe or excavating material from over or round it, or the addition of casing or other appurtenances thereto, shall be performed by the company, and all costs and expenses of such work shall be borne and paid by the authority having control over such drain, or the owner thereof, as the case may be.

2. The authority having control over the drain, or the owner thereof, shall at all times maintain its crossing of the company's pipe line in good working order and condition, so that at no time shall any damage be caused to the company's pipe line or its usefulness or safety be impaired, or the full use and enjoyment thereof be in any way interfered with.

3. Subject to the proviso hereinafter set out, before any work of constructing, renewing or repairing its crossing of the company's pipe line is begun, the authority having control over such crossing or the party making, owning or operating such crossing, as the case may be, shall give to the company at least 48 hours notice thereof in writing, to enable the company to appoint an inspector to see that the work is performed in such a manner as shall, in all respects, comply with this order; except that in cases of emergency, the appropriate official of the company shall be notified immediately. The amount of wages and expenses of such inspector shall be paid by the authority having control over such drain, or the owner thereof, as the case may be, upon receipt

from the company of a statement showing in reasonable detail the particulars of such wages and expenses.

4. The applicant shall at all times wholly indemnify the company from and against all loss, costs, damage, injury and expense to which the company may be put by reason of any damage or injury to persons or property caused by the drain construction, maintenance or operation of the drain, as well as against any damage or injury resulting from the imprudence, neglect or want of skill of the employees or agents of the applicant in connection with the construction, operation, maintenance, renewal or repair of said drain, or any other works herein provided for, unless the cause of such loss, cost, damage, injury or expense can be traced elsewhere.

Those are the conditions requested by Interprovincial Pipe Line Company in connection with any order which the board shall issue for a private individual or drainage authority to carry a drain across their pipe. I submit, Mr. Speaker, that these conditions are heavily weighted in favour of the pipe line company and offer little or no protection to the farmer or drainage authority concerned.

Any crossings which have been made to date have been made under these conditions. So far as I am aware, all the costs of drains carried across interprovincial pipe lines have been paid for by the farmer or drainage authority concerned. However, three pipe lines have expended as much as $7,000 or $8,000 per crossing in expenses in order to carry drains across their line, and there has been no question about who should pay those costs. All pipe lines operating under provincial charter pay all the extra costs when any farm drain of an individual farmer or drainage authority crosses their line. It is suggested that, in all fairness and justice, this anomaly should be removed and that all pipe lines should be treated alike. This amendment, therefore, is proposed to the National Energy Board Act in an effort to see that any discrimination is removed and that the pipe line companies have to give the same deal to all farmers and drainage authorities concerned.

(Translation):

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I just want to make a few short and personal comments following the statement of the hon. member. I examined Bill No. C-33, an act to amend the National Energy Board Act (drainage works), and I must say that I want to express some rather significant reservations on the matter.

I have no doubt that in submitting this bill, the hon. member has a very praiseworthy aim, and that its effects might, in some cases, be of great benefit to farmers.

I believe that this is, primarily a local issue, for which it would seem possible to find a solution without resorting to such drastic amendments.

But I do not object so much to that as to the way of going about it, which, to my mind, is prejudicial to provincial rights in that regard.

We are dealing here with drainage works, and I think that the hon. member who preceded me will admit that there is nothing more local and provincial than drainage works. The explanatory notes to the bill, and more particularly the last two paragraphs, speak for themselves in that respect, and I quote:

The result of the present laws is that the railway utilities, interprovincial and provincial, and the provincial pipe lines utilities are subject to provincial drainage authorities while the interprovincial and international pipe line utilities are subject to the national energy board.

This bill proposes to incorporate in the National Energy Board Act the provincial drainage laws so as to apply these laws to interprovincial and international pipe lines with respect to farms, market gardens and nurseries so classed under the applicable provincial assessment law.

In other words, and to summarize the scope of this bill, what is intended here is the incorporation in a federal act, by way of an amendment, of all provincial drainage laws.

In my opinion, it will be necessary to redefine farms, market gardens and nurseries. It can readily be seen how these definitions, for the purposes of municipal assessments, can vary from one province to another.

I fail to see how such a bill could be approved without the province having been consulted on the matter. I want to point out that we seem to forget too often that the provinces hold annual sessions, through interprovincial conferences. Thanks to the leadership of the premier of the province of Quebec, discussion with the provinces is much more easy now.

Too often, in passing measures of this kind which we considered by ourselves, we confront the provinces with a *fait accompli*.

It may be that we are faced with technical problems—this might well be so in this case—and that the co-operation of the provinces is not only desirable but necessary.

I submit that in any field of joint federal-provincial jurisdiction, and especially in any field of purely local and provincial jurisdiction, we should have here, in the House of Commons, some machinery which would prevent the repeated introduction of certain bills

which I feel exceed our jurisdiction and which, even if they were adopted, would be ultra vires and could not be carried out.

Mr. Speaker, I think there is a rather easy way of overcoming such a difficulty.

We all know that the Minister of Justice (Mr. Fulton) is authorized since the Canadian Bill of Rights has been passed to examine bills introduced in this house to satisfy himself that they are not contrary to any provision of the bill of rights. Therefore, I feel that the bill now before us would not have been introduced if such a check had been made.

In any field involving federal and provincial jurisdictions, I wonder why the Minister of Justice as well as the officials of his department would not be authorized to examine the bills before their introduction to see if they are not encroaching upon the exclusive privileges of the provinces.

I think that if that was done, many a difficulty could be prevented.

I do not want to take too much of the time of the house, because I wish to give other members the opportunity to comment on this bill.

May I simply be allowed to sum up. The intention here is to incorporate provincial drainage laws in a federal statute, and from the explanatory notes I read a moment ago, I am inclined to question the constitutionality of the bill.

However, I should like to congratulate the hon. member for Middlesex West (Mr. Thomas) for having introduced this bill. I believe that his purpose is very commendable, and that it would be in the interest of a very large number of our fellow citizens that something be done along those lines, so that drainage projects may be carried out in the most practical way for all farmers and landowners through whose lands those pipe lines pass.

In my opinion, it would be possible to find a more practical and easier solution, a solution which would certainly be more constitutional than this bill introduced by the hon. member.

(Text):

Mr. John Smith (Lincoln): On rising to speak briefly about this bill I would like to congratulate the hon. member for Middlesex West (Mr. Thomas) who has brought this matter to our attention again. Contrary to the views expressed by the previous speaker, I believe it is a matter which we should seriously consider passing.

With vast resources of gas and oil in western Canada and with major markets for it in the east, it will mean that in the future we will have many more pipe lines bringing gas and oil to eastern Canada. I should like to give my interpretation of the bill. Its intention is to amend the National Energy Board Act so that the construction of pipe lines will come within the provisions of the provincial statutes and be subject to provincial drainage laws and to the judicial interpretation of these laws by the courts, regardless of whether the pipe lines are constructed under a provincial or federal charter.

In past years we have not had too much of a problem in connection with oil and gas pipe lines constructed under federal charter because there were not too many of them. However this is now becoming a factor which we must consider. At the present time there are several bills coming before the house in connection with the construction of gas and oil pipe lines through different parts of Canada and for that reason I think it is most important we should consider this bill and give it some measure of approval. With the advance of time there are other problems to be considered, probably not particularly connected with this bill, but there is also the building of underground power transmission lines and telephone lines under federal charter, that cross more than one province.

Surely it is only reasonable that the national energy board drainage regulations should be amended to comply with provincial drainage regulations? I do not intend to deal with the mechanics of the bill. I believe the hon. member for Middlesex West has done that in a very able manner, but I would like to outline some of the problems which appear to me in connection with the building of pipe lines. For instance there is the disruption of a land tile drainage system, which is a most important matter in the province of Ontario, more especially where we have fruit and vegetable growers.

I understand that a 30-inch pipe line, which is a common size for the bigger projects, has to be placed about six to eight feet deep in the ground, and the trench must be quite wide to provide working space while the pipe line is being built. One can readily understand the problem there. But even in the case of a pipe line of much less capacity the flow of a field tile drainage system could be completely disrupted and could only be made to operate satisfactorily by the construction of an interceptor tile drainage system on either side of the pipe line. I have some experience in connection with this and I know it is a problem which could lead to a lot of expense.

Unless the construction of pipe lines is brought under the regulations of provincial

drainage laws this expense could very easily fall to the responsibility and cost of the farmers and wheat growers whose land is crossed by a pipe line. I also contend that pipe lines for the transmission of gas and oil should come under the regulations of provincial drainage laws for the purpose of being made subject to special assessments for clearing and repairing natural water courses, just the same as other structures and assessable properties above ground. Occasionally water courses have to be cleared and repaired, and when that is done an assessment is made under the authority of provincial drainage law and it is assessed against the adjacent properties concerned. Should federal pipe lines be excluded from provincial drainage regulations it is quite possible they might not have to share part of this cost.

There is also damage caused by interference with natural water courses and spring flooding conditions, which often cannot be calculated until wash-outs and flooding take place. Provision can best be made to provide for these hazards under provincial drainage laws.

There is another matter I wish to raise and it is one which is not entirely relevant to this bill. I am sure, Mr. Speaker, if I get out of order you will correct me. I have made some study of this matter and I recommend to the national energy board that they take into consideration ways and means to recover to Canada—where facilities are available and where there is a requirement—a proportion of the huge quantities of Canadian gas and oil that may be piped into the United States from points west of Port Arthur. This gas and oil is transshipped by a great network of pipe lines across the United States, and I understand some of it arrives back in Canada, and I suppose at substantially increased costs. I have checked with the national energy board and have been advised that no recovery provisions have yet been made in export permits for gas and oil. However, they agree it is a matter well worth considering.

Mr. Speaker, I could say more on this matter but I know other hon. members wish to speak on it. I think that as far as the province of Ontario is concerned this bill is a matter that should be given very favourable consideration. As the mover of the bill has mentioned it is connected with the old Railway Act which was brought in many, many years ago. We have to review these matters from time to time and, as I have already said, because of the large number of gas and oil pipe lines that are coming to eastern Canada we should take steps now to see that those with federal charters come within the provincial drainage schemes.

[Mr. Smith (Lincoln).]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I would like to join previous speakers in this debate in congratulating the hon. member for Middlesex West (Mr. Thomas) for the work he has done in the preparation of this bill and for the discussion that has ensued from it.

I believe we are all very worried when we hear or read of the terms and requirements that are made by pipe line companies. We have heard read this afternoon correspondence from an interprovincial pipe line and we heard the terms they made when they had the opportunity of evading some of the responsibilities that other pipe lines have to face. These are legal terminologies, it is true; but they remind me of reading the original contracts which farmers signed in many cases, and the heavy legal verbiage which allowed absolutely no loophole whatever to anyone connected with the contract. I think a farmer is terrified by the language itself and therefore when he makes any request he is, and rightly should be, always very cautious when approaching any problem in connection with pipe lines.

It is perfectly true that in Ontario there is going to be a continuing and growing demand for drainage and that where drainage crosses a pipe line it is going to be highly essential that this drainage be carried out at the lowest possible cost to the municipality, the authority or the farmer who may be involved in the drainage program. For the success and progress of our agricultural industry it is necessary that drainage shall take place on a much larger scale than has been necessary in the past. For this reason we must be concerned with the advent of gas pipe lines passing through the agricultural lands of Ontario. I have been concerned with the trend that has been indicated by at least one speaker today. He indicated that we should use as the basis of our argument the fact that the province of Ontario or other provinces have passed drainage laws in a provincial sense, and because the federal act has not been sufficient to take care of this problem in the past we should make all pipe lines into provincial lines so that they would be under provincial jurisdiction and the provincial governments, having jurisdiction over both fields, would find less difficulty in equalizing the problem as between the drainage act and the Pipe Lines Act. I suggest that this is a dangerous thing to do because, as the last speaker pointed out, there is an increasing growth in Canada, not only of lines carrying oil and other commodities in the province, but there is also a very large and growing field of international and interprovincial pipe lines.

Our laws must be brought into line. I think this is really what would happen if the amendments contained in this bill were put into effect.

I agree with those who say that this may be a very cumbersome way of doing it. It may be true that we would have to go back to the Railway Act and pick out some of the sections that should not necessarily have been applied, but I think this has been made necessary by the very inflexibility of the pipe lines with which we deal. The Interprovincial Pipe Line Company, and particularly Trans Canada Pipe Line Limited have shown their inflexibility in any type of dealing not covered by the contract they originally signed. In my opinion these original contracts had the best legal brains in the country behind them and the pipe line companies had at their beck and call the best kind of legal advice in drawing them up.

I am always amused to remember that the only thing that was not put into the bill concerning the trans-Canada pipe line was a complete and workable expropriation clause. How they could have missed the most important one, I do not know, because I am sure from reading many of these contracts that the pipe line companies employed the best legal brains they could afford. I think it is a condemnation of the legal advice that pipe lines receive when it is necessary for the hon. member for Middlesex West to ask parliament today to enact laws that will provide for the very simple matter of allowing water to flow from one area to another and surmount the difficulties created by pipe lines. It is perfectly true that the pipe line companies have expropriated, bought or own the particular strip of land under which they have put their pipe line. But this does not give them the almighty right to say, "We will not allow any other type of development in the area". They were able to look far enough ahead and see that there would not be a loophole which would mean they would have to give some assistance to the farmers and they have relied upon their contracts when this question has arisen.

I think the farmer has a right, if he is draining the back 40 acres of his farm to another area of the farm, to say to the pipe line company, "You are obstructing this drainage". He should be able to say this, as he can when a highway is involved. I think the farmer should have the right to say, "You must put in the connecting link in my drainage system. This is your responsibility. You are now a member of the community. You are part of this area. This should be done".

I think it is a condemnation of this whole industry that we should have to come to parliament and ask, in what I consider to be a very roundabout way, for a very simple and basic need to be provided, namely the need for drainage in rural areas. I believe that the pipe line companies would find a great many more friends in parliament and across the country if they did not try to beat the little farmer but instead co-operated with him in connection with the rights they obtained when buying these narrow strips of land under which they buried their pipe lines.

I suggest they should always be responsible for the particular area and putting in the connecting link, because I think it would be unfair to ask the farmer to dig up the pipe line and put in the connecting link himself. I think this would be dangerous. I think it would not be in the interests of safety if he had to do this, particularly if there happened to be some rock there and he decided to use force to remove the obstruction. I think everyone will agree that this is going to have to be done by the company itself, and the company should carry the expense of maintaining their interest and participation in the community in co-operation with the other members of the community, who in most cases happen to be farmers whose land they are crossing, and in some cases dividing, by their pipe line. I hope we will not give any consideration to this idea of dividing into provincial jurisdictions the pipe lines that are interprovincial in nature. I believe the federal government has a responsibility for maintaining liaison with the provincial governments and for giving whatever direction may be necessary by way of regulations or other means, such as the bill now before us, to assure farmers and other members of the community, including drainage authorities, that they will have free access to this type of land so that drainage can be completed. It is well known that the presence of a pipe line does not mean that the whole topography of an area is changed and that water will begin to flow in another direction.

The house has an opportunity of passing this measure this afternoon so that its provisions may be put speedily into effect. It is unfortunate that it should be necessary to proceed in this way by adding a section to the act which would allow the drainage authorities the same rights as they would have enjoyed if we had been dealing with a highway, a railroad or some other obstruction. Years ago it was necessary to deal with this problem while the railways were being laid. I should have thought that the improvement in public relations since then would have allowed us to deal with the present difficulties in a much more friendly manner. However, if that is not the case I shall certainly support the proposed amendment and I hope other members of the committee will do likewise.

Mr. Grant Campbell (Stormont): As has been indicated, this bill deals with amendments to the National Energy Board Act to make pipe lines operating under federal charter, that is, interprovincial and even international pipe lines, subject to the drainage laws of the provinces through which the pipe lines pass. It is suggested that for this purpose section 273 of the Railway Act be added to the 49 sections of the Railway Act already incorporated in section 75 (1) of the National Energy Board Act.

I have had very little experience indeed, I must confess, with this type of problem but when I heard there was this strange difference between the procedure required to get compensation from interprovincial pipe line companies as compared with the relatively simple and expeditious procedure involved in provincial pipe lines, I was amazed. I think this anomaly, this omission, must obviously have been due to inadvertence rather than design. I can see all sorts of problems involved with which municipalities and farms will have to contend increasingly even in eastern Ontario, questions which are fertile of litigation; whether, for instance, a pipe line under construction should go under or over existing trunk sewer or even a farm tiled drainage system. Every three or five years these drains have to be cleaned out and maintained. Surely, if one of these ditches intersects an oil pipe line, the company should be responsible for contributing a portion of the cost of this maintenance. There are many other instances where these difficulties arise. Many, as I say, are fertile of litigation. Nevertheless, that is an expensive course to take both in time and in the cost involved and as has been suggested people tend to be, if you will, almost terrified by the prospects of having to contend with highly paid legal counsel, the best available advice, such as the pipe line companies can afford.

In wet regions and especially in certain parts of Ontario, surplus water gathers in low spots in the fields and this interferes with cultivation and ruins standing crops. Proper drainage is the answer to this condition. Even in our own area of Cornwall tile drainage will become increasingly common. This drainage is provided by placing stone tiles end to end in a trench approximately two feet below the surface of the land. Surface water seeps into the drain and is carried away into suitable outlets, usually into larger drains and ultimately into open ditches. This permits the aeration of the soil and allows a healthy crop to grow. It also helps the cultivation of the soil.

I see that time is passing fast. I just want to emphasize, since I shall not be able to finish the remarks I wish to make, that these proposed amendments to the National Energy Board Act were endorsed by the Ontario association of land surveyors at their annual meeting which was held in Hamilton in February, 1960. I think it is interesting that one of the gentlemen who took part in those discussions at that time is a friend and former classmate of mine from Cornwall, Mr. Leonard Stidwell. I think it is important that we should anticipate these difficulties before they become acute and therefore I think it is highly desirable that this legislation should be incorporated into the National Energy Board Act so as to provide an expeditious, quick, efficient, cheap and familiar method of dealing with this problem.

May I call it six o'clock?

Mr. Speaker: The hour for the consideration of private members' business having expired, the house will resume the business which was interrupted at five o'clock.

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

DEPARTMENT OF DEFENCE PRODUCTION

A—Department—

690. Care, maintenance and custody of stand-by defence plants, buildings, machine tools and production tooling—further amount required, $100,000.

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

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Bell (Carleton): When the committee rose at five o'clock there were some members of the committee who were having difficulty in understanding the explanation I had given of this particular item. The fault quite obviously was mine.

Mr. Martin (Essex East): Will my hon. friend permit me to correct him? I am sure he will do that.

Mr. Bell (Carleton): Yes, I will do that.

Mr. Martin (Essex East): Is it not the situation that my hon. friend did not have the facts?

Mr. Bell (Carleton): No, not at all. My hon. friend's hon. friend had the facts in full, but the circumstances were perhaps not expressed with that precise clarity which

is required in order to make the hon. member for Essex East appreciate in full the details of the facts.

Mr. Pickersgill: That is another way of saying the parliamentary secretary had not done his homework.

Mr. Bell (Carleton): I think the parliamentary secretary had done his homework in full. Since we are starting off the evening in this pleasant way, I trust that we shall end it with equal pleasantries.

The position is this. The production in Canada of the CS2F tracker anti-submarine aircraft for the navy was completed in 1960. As these carrier-borne aircraft normally operate off the east coast and have an operational life of from eight years to 10 years it was decided by the government to select a repair and overhaul facility in the maritimes. In order that the necessary parts and components would be available for this facility it was also considered advisable to transfer to the same area the tooling that was used in the production of the aircraft. The only particular in which I was perhaps slightly inaccurate this afternoon is that I spoke of only one contractor in the maritime provinces, that of Enamel and Heating Products Limited, at Sackville. There is a further firm, namely Fairey Aviation Company Limited, Dartmouth. The latter contractor in Nova Scotia was selected for the repair and overhaul work and the second contractor, namely Enamel and Heating Products of Sackville was chosen for the production of the necessary aircraft parts and components. This production tooling will be kept in a stand-by condition to be withdrawn for the production of spares as required. This is the most economical approach to the situation.

The relocation in the maritimes of the CS2F tooling which originally cost around $9 million and which is presently at several locations in Ontario involves expenditures for packing, inhibiting and shipping. This is estimated to cost in excess of $140,000 of which it is anticipated that $100,000 will be spent in the current year. That is why a supplementary estimate in the amount of $100,000 is being submitted.

My hon. friend from Essex East was interested in what the future was. He will appreciate that this vote deals with the transfer of tooling to the plants in the maritimes and that once it is there, then the repair and the overhaul will come normally from the ordinary vote of the Department of National Defence, navy.

The Chairman: Shall vote 690 carry?

Mr. Martin (Essex East): All I can say is that the parliamentary secretary who has obviously done without his evening meal—

Mr. Bell (Carleton): Not at all. He has done very well.

Mr. Martin (Essex East): —and has obtained some facts, has presented the committee with a picture that seems to be out of proportion having regard to the amount actually being asked. It is difficult to conceive that the situation warrants the exaggerated account we have received from the parliamentary secretary of what is proposed by this expenditure. However, we have learned, as a result of this intervention, that we have afforded the hon. gentleman an opportunity of at least being able to provide what reasonably, without examination, might seem to be an adequate reply to a simple question. However, on analysis of what the hon. gentleman has said, it is apparent that he has not really answered the question.

Mr. Bell (Carleton): Oh, oh.

Item agreed to.

Crown companies—Canadian Arsenals Limited—

691. Administration and operation—to extend the purposes of vote 74, main estimates, 1961-62, to reimburse Canadian Arsenals Limited in respect of outstanding balances of previous years' operating deficits, $1.

Mr. Chevrier: Will the parliamentary secretary explain the nature of this vote? It is for $1?

Mr. Pickersgill: More than that. In the margin appears the sum of $100,001.

Mr. Chevrier: Yes.

Mr. Bell (Carleton): This is really a technical matter.

On their balance sheet of December 30, 1961, Canadian Arsenals show an item "Uncleared Funds" due by the receiver general and amounting to $129,339.92.

This sum represents the total of two balances of expenditures by the company in the fiscal years ended March 31, 1960 and March 31, 1961, which were in excess of the total funds provided in the estimates in those years.

If hon. gentlemen will examine the reports of the Auditor General they will find the full particulars. Particulars taken from the reports of the Auditor General are as follows:

Supply—External Affairs

1959-60	Provided in main estimates (vote 74)		$ 2,000,000
	Net loss from operations during year		2,059,719
	Balance due from Receiver General		$ 59,719
1960-61	Provided in main and supplementary estimates (votes 73 and 509) .....$	2,849,120	
	Net loss from operations during year ..	2,918,741	
	Balance due from Receiver General		69,621
	Total of uncleared funds at December 30, 1961 .....$		129,340

Based on present forecasts by the company, the 1961-62 estimates provision of $3,880,230 in vote 74 for the administration and operation of Canadian Arsenals Limited will be more than sufficient to meet the company's 1961-62 actual requirements. Funds in this vote will therefore be available from which to reimburse the company for the actual balance of $129,339.92 due in respect of the years 1959-60 and 1960-61. Authority is accordingly sought through the above supplementary entry to transfer $129,339.92 to Canadian Arsenals Limited from the 1961-62 funds provided under vote 74.

Mr. Chevrier: I do not know whether I followed the parliamentary secretary too well, however, apparently there has been a deficit in previous years in connection with the operation of this crown corporation.

Mr. Bell (Carleton): That is correct.

Mr. Chevrier: In what we are voting here is not the amount of the deficit because the whole item appears as the sum of $1. How is the money obtained? Is it from the consolidated revenue fund in payment of these deficits to which the parliamentary secretary has referred?

Mr. Bell (Carleton): We are getting authority in this for the amount of the deficit for the two years less the amount of the surplus for this year. This is purely an item of authority.

Item agreed to.

DEPARTMENT OF EXTERNAL AFFAIRS

692. Departmental administration—further amount required, $225,000.

Mr. Martin (Essex East): This item introduces a series of votes in the Department of External Affairs totalling some $4,144,998 which the Secretary of State for External Affairs is asking parliament to approve. I am going to ask the parliamentary secretary who is charged with this matter in the House of Commons at the present time, if he will agree to postponing this item until tomorrow. I am informed that the Secretary of State for External Affairs will be arriving from Geneva some time between 10 p.m. and midnight tonight. He has been at an extremely important conference in Geneva, as we all know, involving matters of the greatest importance. While under normal circumstances he would be expected to make a report on motions tomorrow it seems to me, as I am sure it will to the committee, that it would be desirable to have him do this in committee so that he might not only make a statement but as well that we might be given an opportunity to question him in a constructive way, I am sure, about the matters which have engaged his attention.

So I hope that at this stage, whatever may be the view of the government with regard to the way in which it proposes to conduct the estimates, it would be agreed that in the light of the fact that there has not been much discussion of foreign affairs this session and as this will be the last opportunity to do so before dissolution, the Secretary of State for External Affairs should be afforded the opportunity to deal with these various estimates and particularly for the reason I mentioned at the outset, that it will afford him an opportunity to give a report on what took place in Geneva and give members of the house an opportunity to elicit further information from him.

There is another reason for putting this request at this time. Unlike former sessions, there has been no sitting of the external affairs committee, an arrangement that has enabled us to pursue interrogations in past years, and which therefore eliminated unnecessary duplication of discussion in the house. Apart altogether from the desirability of having ministers conduct the discussion of these various estimates themselves, to which course the government has registered a very strong and totalitarian objection—I say that with no offence because we are in a very happy and constructive mood tonight—I think that the parliamentary secretary should accede readily to the suggestion that we postpone until tomorrow item 692 and the following items under external affairs up to 706. If there is any difference of opinion then as to the procedure to be followed we could have that argument at that time. I simply request at this time that the parliamentary secretary forgo dealing with these matters until the return to the house of the Secretary of State for External Affairs.

Mr. Herridge: Mr. Chairman, I want to support wholeheartedly the most reasonable plea of the hon. member for Essex East that

the estimates of the Department of External Affairs be postponed until the minister returns, which I understand he will do tomorrow.

Mr. Martin (Essex East): Tonight.

Mr. Herridge: But it will be possible for him to be present tomorrow. In view of the fact that the committee on external affairs has not sat this session and in view of the excellent work the Secretary of State for External Affairs has been doing at Geneva, I think it would be most unfortunate if this house were to pass these estimates without having a report from him. I am sure we are all looking forward to hearing of his activities at Geneva, and we on this side again look forward to extending our co-operation to the government through constructive suggestions for the improvement of our foreign policy. I do urge the parliamentary secretary to give consideration to our pleas.

Mr. Bell (Carleton): Mr. Chairman, the hon. member for Essex East knows how very difficult it is for me ever to resist his blandishments, and when they are supported by the hon. member for Kootenay West it is all the more difficult. But this is an occasion when I must indicate that what they have suggested would be in fact a departure from what has been the practice of the committee of supply.

We had some discussion yesterday as to what has been the practice in dealing with final supplementary estimates. In all instances they have been dealt with not by the individual ministers concerned, with one or perhaps two exceptions, I think, but by the Minister of Finance whose poor substitute I am on this particular occasion. The custom and tradition of the committee have never been to use the final supplementary estimates for statements of policy of the type to which the hon. member for Essex East refers.

The final supplementary estimates generally, and in this case in particular, as my friend will see, deal with the provision of further amounts. The policy has been determined earlier by the committee. The issue which is before the committee in these instances is the wisdom or otherwise of supplementing amounts, and that is why these estimates are called supplementary estimates. If we were to concede the point of view of the hon. member for Essex East, then in each instance the minister of the crown whose estimates they were would be in the house for these final supplementary estimates.

I think perhaps the best statement that has been made in respect of the procedure in this regard was made by that very distinguished minister of finance, Mr. Justice Abbott. Over the dinner hour I sought to find the statement he made on one occasion when he was minister of finance. I believe that during all the time he was minister he conducted the final supplementaries himself. I know that in the election year of 1953 the final supplementaries, with almost as many items as there are at the present time, went through in less than one afternoon.

To concede what my hon. friends suggest would be a departure from the tradition, custom and practice of this committee, and difficult as it is for me to resist the hon. member for Essex East when he is in one of his rare reasonable moods, I regret that I have to do so tonight.

Mr. Chevrier: Mr. Chairman, I am sure that the decision just made by the parliamentary secretary involved great concern and discernment on his part. He has given certain reasons for his position, but I want to bring to his attention one or two points that I think differentiate the position in which we find ourselves tonight from that to which my hon. friend has made reference. He says it is the custom and tradition of this house in dealing with supplementary estimates not to have the ministers in their seats to answer questions. That statement—

Mr. Bell (Carleton): Is true.

Mr. Chevrier: —is not wholly accurate because I can remember full well further supplementary estimates when I had to come into the house at the request of the then minister of finance to explain certain matters concerning items under the heading of the Department of Transport. I can think of two particular instances right now where there would have been a terrific row if I had not been here and I will bring them to the attention of the parliamentary secretary if need be.

The other point I wish to bring to his attention is that the circumstances today are entirely different from those to which my hon. friend has reference. First, the Secretary of State for External Affairs, as the hon. member for Essex East has said, has been at an important conference in Geneva and I think he would be one of the first to want to be in the house to discuss these items. The minister has been away for some time on important government business and it seems to me that the house would welcome his presence here. Knowing him as I do, I am sure that he too would want to be here to give an explanation of these items. I am also satisfied in my own mind that if he were here they would go through much faster.

However, leaving that aside and without assenting for the moment to what my hon. friend has said, let me say to him that the

circumstances today are entirely different from those to which he refers because, as has been succinctly put by the hon. member for Essex East, we do not know how long we are going to be here. Having regard to these circumstances, if it is a fact that this is the last opportunity we will have to discuss estimates then it is our duty and responsibility to ascertain what these expenditures are for. It is also our duty and responsibility—

Mr. Bell (Carleton): I shall be glad to tell the hon. member.

Mr. Martin (Essex East): Does my hon. friend really seriously contend—

Mr. Chevrier: I have not finished yet. I want to say, if that is the case, as I have every reason to believe it is, then I think we should know, a fortiori, what these things refer to.

There is another reason, a far more important reason, which was raised by my hon. friend yesterday. It has to do with the manner in which these supplementary estimates No. 4 have been compiled. If you look at them and compare them with No. 3, you will find there is no reason for having a discussion of these estimates at this time. If they had been prepared with due order and without the confusion to which I referred the other day in a question addressed to the Minister of Finance, all except perhaps a few of them could have been included in supplementary estimates No. 3. If you look at No. 3, and compare it with No. 4, you will find the titles are practically the same and the items are practically the same. There is little or no difference.

Mr. Bell (Carleton): That is not true.

Mr. Chevrier: I do not want to take up an undue amount of the time of the house, but I have marked here in red ink the duplicate items. If my hon. friend insists, I will give him the items that are contained in supplementary estimates 3 and 4.

Mr. Bell (Carleton): There are five.

Mr. Chevrier: My hon. friend says there are five. I refer to supplementary estimates No. 4, items 677 to 682, which are under the production and marketing branch; then there is land rehabilitation, irrigation and water storage projects, and these are the same as in estimates No. 3. The items in external affairs are in large part a duplication. They are not the same items; that is not what I intended to say, but they are a duplication. The point I am trying to make is that these estimates should have been ready and prepared and included in supplementary estimates No. 3 rather than in No. 4 because there is a period of barely three weeks between the time No. 3 was tabled in this house and the time No. 4 was tabled.

There is an added reason why it seems to me that there has not been the order in the preparation of these estimates that normally there is under conditions of this kind. For these reasons, I again ask the parliamentary secretary if he will not give consideration to the point which was raised by the hon. member for Essex East.

Mr. Pickersgill: Before the parliamentary secretary replies and so that he will not repeat a statement that he could not support, I turned up the only volume of *Hansard* I happened to have on my desk. I looked at page 2402 of *Hansard* for 1957, volume III, and I read:

> Supply: The house in committee of supply. Mr. Robinson (Simcoe East) in the chair. Department of Citizenship and Immigration, Immigration Branch—553.
>
> Field and inspectional service, Canada—further amount required, $194,177.

Mr. Bell (Carleton): What date was that?

Mr. Pickersgill: March 18, 1957, the last further supplementaries brought into this house by my friend Mr. Harris. There was a question by Mr. Knowles, a reply by me and then pages and pages thereafter of discussion in which Mr. Harris took no part but in which I took a part. This was only characteristic of what happened whenever hon. members in the opposition in those days wanted information from a minister. The difference, as my hon. friend from Laurier has pointed out, between the situation in the days when hon. gentlemen were over here and we were over there and the hon. member for Carleton and I most of the time were out of the house, was that our supplementaries were supplementaries. They were not a complete new budget. This is a new feature of this government this year. As I pointed out yesterday, in all, the further supplementaries added together from the year ending March 31, 1953 to March 31, 1957, all the further supplementaries added together in those five years were $357 million and the further supplementaries for 1961-62 are $341 million for this one year, nearly as much as the last five years before 1957.

Well, this means you are bringing in a new budget. You are upsetting the ways and means. It means the Minister of Finance had no notion, as we know he did not last year, of what he was doing at all. Never before that I have been able to discover have four sets of further supplementaries been introduced. Perhaps this happened in Mr. Bennett's day, but never again as far as I have been able to ascertain. The whole point is that we no longer have any ways and means at all in this house. We no longer have any balance.

This government, in order to create phoney impressions of balance of ways and means at budget time deliberately vastly underestimated; then the Prime Minister has some vision and we get a whole lot of entirely new expenditures introduced into this house as further supplementary estimates.

These are huge sums of money, almost as much as the budgets were in the days before the second world war. We say that we would like one department in these estimates held up for a perfectly good reason. After all, sir, it is not every day or even every year, although unfortunately it happens all too often because they do not seem to be very successful, that we have a disarmament conference under the terms and conditions of this one and in the state the world is in at this time. It seems to me, sir, a very unwise denial of a reasonable request. I realize how awkward it is for the parliamentary secretary when the premier of British Columbia snaps his fingers and the Minister of Finance has to go trotting out to British Columbia to bow and scrape before that great potentate. I realize how embarrassing it is for the parliamentary secretary, who may be ticked off, who may even be fired like Mr. Coyne—

Some hon. Members: Order.

Mr. Bell (Carleton): Would it not be well for the hon. gentleman to get back to discussing these estimates?

The Deputy Chairman: I wonder if I could have the floor just for a moment? I was not in the chair when this discussion got under way, and I did not realize that the basis for it, as has been explained to me by the Clerk of the house, was that hon. members wanted this series of items on external affairs deferred. The hon. member for Bonavista-Twillingate came back to that point just a moment ago. I feel that debate on this subject has been fairly well exhausted and unless the parliamentary secretary accedes I think it would be well if we got back to the item under consideration, which is departmental administration and which allows fairly wide scope for debate.

Mr. Pickersgill: You interrupted me, Mr. Chairman, just as I was going to do what I think you will not deny I have a perfect right to do. I was going to appeal to the senior minister who is now leading the house. It is the ministers of the crown and not the parliamentary secretary who must make a decision on this matter. The senior minister, I take it, is the distinguished Postmaster General, whose well known sense of justice and whose breadth of view will appeal to all of us. We regret that the parliamentary secretary, whom we all hold in high regard, has not authority in this matter. The Postmaster General, the distinguished leader of the house for the time being, will see the force of this argument and having the authority will I am sure accede at once to the request of the hon. member for Essex East.

Mr. Bell (Carleton): The mood and temper of the house has been so pleasant tonight that I shall do nothing to upset it in any way. However there have been a number of statements made which are rather difficult for me to allow to remain uncontroverted. I shall correct them with perhaps calmer deliberation than my inclinations would lead me to venture.

I have to say to my hon. friend from Laurier that he is quite wrong in his suggestion that these final supplementaries ought to have been incorporated in earlier supplementaries. They could not have been and they should not have been, and if it were proper under our rules I could elaborate in detail to the hon. gentleman on the reasons why that is the case. May I say to him and the hon. gentleman from Bonavista-Twillingate that the only unusual item in these supplementaries, when compared with those of the last few years, is the item dealing with T.C.A.

The bulk of these final supplementary estimates are in three items, the agricultural prices support program $23.1 million, the C.N.R. deficit $67.3 million, and the T.C.A. deficit, $6.5 million, making a total of $96.9 million. The remainder of the budgetary items in these final supplementaries of $25.9 million compare most favourably with the usual governmental costs provided for in previous final supplementary estimates.

Because of what my hon. friend said I would point out that if you eliminate from the last 10 years in the final supplementary estimates those matters you ought to eliminate, the T.C.A. deficit, the C.N.R. deficit, the old age security fund deficit and the agricultural prices support costs, you will find these statistics: 1952-53, $41.8; 1953-54, $58.6; 1954-55, $47.6; 1955-56, $16.5; 1956-57, $84.8, for a total in those five years of $249.3 million. Let us take the next five years: 1957-58, $48.0; 1958-59, $32.2; 1959-60, $15.6; 1960-61, $41.2; 1961-62, $25.9, or a total of $162.9 million. In other words during the last five years of the administration of hon. gentlemen opposite the total of the final supplementaries was $249 million, and in the last five years under this government the final supplementaries totalled $162 million.

Mr. Pickersgill: You eliminate what it suits you to eliminate.

Mr. Bell (Carleton): What you eliminate, and properly eliminate, are those things which I have enumerated.

Mr. Pickersgill: I eliminate nothing.

Mr. Bell (Carleton): My hon. friend eliminates nothing and that is perhaps the reason why he is in the condition he is at the present time. The hon. gentleman spoke yesterday of an $8 million duplication, but may I say to him that there are only five items, numbers 688, 694, 701, 723 and 732, which total $1,840,561, that are in any way duplicated by the supplementaries, and it would have been impossible for those who were preparing the estimates to have put these items in the earlier supplementaries.

Now I understand it has been the practice of the house on all occasions of which I am aware—I think with one or two exceptions—that the final supplementaries have been carried with very little discussion because the policy has already been determined and it is only a matter of deciding whether there is expediency and wisdom in adding to or subtracting from the amount which had been earlier determined. With the facilities available to me and with the great skilled assistants I have here, I shall endeavour to answer any questions that may be put, but I venture to suggest that the committee would be wiser to proceed in a businesslike way with its proceedings tonight and we shall see if we cannot completely satisfy hon. gentlemen opposite.

Mr. Martin (Essex East): Maybe I may be allowed to say a word since I raised this matter first at eight o'clock. I must say to the parliamentary secretary that I have watched him during the past day. I have admired his skill in having a minimum of intervention from the government side, resulting in a more ready dispatch of our business than is usually the case, particularly when the Minister of Finance himself conducts the deliberations.

But the hon. gentleman has made an exception since eight o'clock. We have now been engaged in a procedural discussion for some 40 minutes. If the request had been granted at the outset we would have made some progress on the items following those in external affairs, rather than become engaged, as we have, for almost half of tonight's sitting in a procedural wrangle.

The parliamentary secretary has spoken of previous practice. I do not agree that my hon. friend has stated this correctly. It may be that the figures which he has produced, when put in proper context, allow another interpretation altogether. However my argument does not rest on that. This surely is a unique situation. The Secretary of State for External Affairs, charged with the responsibility of speaking for Canada on vital matters involving our relationship with other states at this critical time, will be in the house tomorrow morning. He will have returned from one of the most important international conferences held since the end of the second world war and only he, on behalf of this government, is in a position to give an authoritative account of the important dispositions made at Geneva.

Mr. Bell (Carleton): I have no doubt he will.

Mr. Martin (Essex East): My hon. friend admits this. Only in committee will we be afforded the opportunity before dissolution of exchanging views with regard to these vital matters.

If this proposal is not accepted, then what is the situation which the parliamentary secretary puts parliament in tonight? He puts parliament in this position that we will be denied having a report—

An hon. Member: What a laugh.

Mr. Martin (Essex East): —from the Department of External Affairs and the opportunity to examine that report, as it should be examined in regard to matters of fundamental importance to this nation and to the peoples of the western world. We shall be denied the opportunity to discuss such things as whether we are going to have a cessation of nuclear tests, what progress has been made in disarmament, and the relationship of Canada with neutralist states vis-à-vis the United Kingdom and the United States. These are matters of the greatest moment.

Some hon. Members: Order.

Mr. Martin (Essex East): Hon. gentlemen say "order". They may not be interested in the importance of this matter, but the country is.

Mr. Nesbitt: You will get the report tomorrow.

Mr. Martin (Essex East): I say that on a matter of such vital importance parliament is being made look ridiculous tonight as a result of the decision, which is being forced on the parliamentary secretary as the spokesman of the government on this occasion. Here we have two ministers of the crown, two members of the government, who sit with the cabinet in discussing these matters.

An hon. Member: There are five now.

Mr. Martin (Essex East): That makes my argument all the stronger. Yes, the Minister of National Defence is here. The Minister of Mines and Technical Surveys is here. He has some knowledge of these questions. I am sure he will appreciate the significance of

what I am saying. The refusal of the parliamentary secretary—undoubtedly not because of his own judgment but because of a decision imposed on him by the government—means that this parliament will not be given the procedural opportunity—

Mr. Smith (Calgary South): That is a lot or nonsense.

Mr. Martin (Essex East): —to get from the Secretary of State for External Affairs a report on one of the most vital conferences—

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

Mr. Martin (Essex East): Yes, when I have finished—which has been held since the end of world war II. This puts into proper perspective the boast of the Prime Minister and the boast of others in the government of their efforts on behalf of peace. I have no doubt that this government is anxious to do something constructive in this field, but this is being denied—

Mr. Bell (Carleton): Then why make that insinuation?

Mr. Martin (Essex East): I am making the insinuation because we are now being refused the opportunity of a discussion with regard to foreign affairs at this critical time. In view of the return tonight of the Secretary of State for External Affairs it should not be denied to a free people in a free parliament.

What is the alternative if the parliamentary secretary refuses this request, and apparently he is going to? I would point out how ridiculous this situation is, because here we have the parliamentary secretary, not to the Prime Minister but to the Minister of Finance, an amiable gentleman, an able gentleman admittedly, competent in the particular department to which he is assigned, telling us, "Do not worry; I will get up and I will give you all of the answers to these various questions" in a department that requires, if any department does, the quality of the specialist. Yet the parliamentary secretary says, "I will tell you all about Laos. I will tell you all about the discussions between Mr. Harriman and the royal Laotian government. I will tell you why Bulgaria, a communist country, supported Canada in its position against the United Kingdom and the United States in Geneva".

Mr. Nesbitt: Who is being silly now?

Mr. Martin (Essex East): My hon. friend from Oxford, the ex-parliamentary secretary to the Secretary of State for External Affairs, intervenes. I am sure he knows that what I am saying is right. If he were the parliamentary secretary to the Secretary of State for External Affairs—and he is not; I do not know why he is not—and he were in that role tonight, I would not object to his beginning a discussion, because after all he has had four years experience at the United Nations while my hon. friend the parliamentary secretary to the Minister of Finance has been engaged in matters having to do with financial policy. If this request is not granted in spite of the repeated and earnest requests put forward by my two colleagues and myself, what will be the result?

Mr. Pickersgill: And by the hon. member for Kootenay West.

Mr. Martin (Essex East): And by the leader of the socialist party. If this request is not granted, what will be the consequence? The consequence will be, as I am sure the leader of that party will agree—

An hon. Member: Who is your leader today?

Mr. Martin (Essex East): —that under departmental administration we will engage in a discussion of foreign policy; that is obvious. I know that my hon. friend has on his desk three packages of speeches on foreign policy which he proposes to deliver. I have three too, and I propose to engage in such a discussion. But we are not going to make any advance this way. If the Secretary of State for External Affairs were here, these observations—

An hon. Member: This is nonsense.

Mr. Martin (Essex East): I hope that the hon. gentleman will not apply the rule of closure, because the Prime Minister has decided that we are going to eliminate closure and I am to be allowed to express myself.

Mr. Parizeau: This is not 1956.

The Deputy Chairman: Order. I am having some difficulty in hearing the hon. member for Essex East because of the interjections. I think it would be in the interest of progressing these items if the committee gave the hon. member a fair hearing, and I would ask his co-operation also in holding closely to the point of relevancy, with regard to which I am having some difficulty in reaching a decision; therefore I would ask his co-operation.

Mr. Martin (Essex East): Mr. Chairman, you will have that co-operation.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): I have nothing very much more to say. I have been sincere in the suggestion I have made—

Mr. Pigeon: No, you are not sincere.

Mr. Martin (Essex East): —in asking that this request for postponement be granted. Let us briefly recall the context of the request, Mr. Chairman. Canada's Secretary of State for External Affairs is arriving from Geneva tonight some time between the hours of ten o'clock and midnight.

An hon. Member: How do you know?

Mr. Martin (Essex East): I know because I made a point of asking his office when he was arriving, and that is what I was told. He will be in his seat tomorrow. The Secretary of State for External Affairs has been at a conference that can be described as a momentous one, one involving our relations with the east, our relations with the Soviet union and our relations with countries behind the iron curtain in matters which we all admit are the most important on our agenda. All I am asking is that in view of this, the first item of departmental administration and the other items in the Department of External Affairs be postponed until tomorrow so we can have the advantage of having, in addition to the parliamentary secretary, the special knowledge and the special authority of the minister charged with these important matters.

Surely this is not an unreasonable request. To deny this request will place this government in the position, on the eve of a dissolution of parliament, of having denied this house the opportunity of discussing matters which we all regard as foremost in our considerations.

Mr. McGee: Since when?

Mr. Martin (Essex East): That very junior hon. member for York-Scarborough asks, "Since when?". Obviously he has not lived long enough to realize that these problems have concerned the people of Canada for a long time and their concern is increasing.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): The situation, notwithstanding these interventions and regrettable catcalls in a discussion of this kind, is that if we are denied this request let it be known that this government, which regards itself as loyal to the traditions of a free parliament—

Mr. Bell (Carleton): And is.

Mr. Martin (Essex East): —has taken a step to deny us, on the eve of dissolution—

An hon. Member: How do you know?

Mr. Martin (Essex East): —the opportunity of examining the Secretary of State for External Affairs on the vital matter of our foreign relations. That is the situation.

[Mr. Pigeon.]

Mr. Bell (Carleton): That is utterly ridiculous.

Mr. Martin (Essex East): The parliamentary secretary has replied. I ask the ministers who are sitting behind him to speak for the government. I suppose the senior minister is the Postmaster General, and I ask him to rise in his place and tell us, is it the policy of the government of Canada in the present circumstances to deny parliament the right of hearing from the Secretary of State for External Affairs under conditions that will enable us to interrogate him?

An hon. Member: We will hear from him.

Mr. Martin (Essex East): My hon. friend says. "We will hear from him"; but what will happen tomorrow is that the Secretary of State for External Affairs will come into this house and on motions he will make a statement. The Speaker, of course, will allow spokesmen for the two opposition parties to reply, but those replies will obviously be, as always, pro forma. There will be no opportunity for a serious discussion.

The consequence of this refusal is that we are going to be denied asking questions of the Secretary of State for External Affairs. I now appeal to the senior minister in this house, if he has the authority, to allow us to postpone this matter so that we can go on with the next item, which is the Department of Finance, a department for which the parliamentary secretary is particularly qualified to speak, and to leave the discussion of external affairs to the man who is pre-eminent in that field because of his post, and because of his experience in Geneva. The Canadian people do want a report from him and do wish to give to opposition groups the opportunity of stating their position and to elicit from the minister further information. If this request is denied, this government will stand condemned, as it deserves to be.

Mr. Hamilton (Notre Dame de Grace): It has never been the case that a loud voice, a red face and a pompous manner will make a sound argument out of something which has no substance whatsoever. That remains as true tonight, after what we have heard, as it has been after so many other arguments put up by the hon. member over the months.

He himself, speaking at great length, has listed a number of things he would like to drag by the tail into this debate and discuss in the presence of the Secretary of State for External Affairs. He himself knows perfectly well, as has been ably pointed out by the parliamentary secretary, that this is not customary, that this is not in accordance with the traditions of this chamber and that it

offends all the rules, practices and traditions of this committee. Second, he has asked whether it is the policy of the government —these were the ringing terms he used—to deny freedom of discussion. It is not. We have remained here for an hour and heard the hon. member wander all over the map. He is free to remain here and waste that much time. He certainly is doing that extremely well—wasting the time of the committee and wasting the time of the entire country with his specious arguments. He is able to do that.

Tomorrow, or at some appropriate time, the Secretary of State for External Affairs will do that which is customary. He will come to this house and give on the order for motions a report at length on matters which have concerned him while he has been away. The hon. member, or more probably his leader, will have the opportunity to comment on that, as will the representative of the other group in the house. This will give an adequate opportunity to air fully all those matters which cannot be aired tonight because the secretary of state is not here.

The hon. member makes a great case out of the suggestion that there will be no further discussion possible because this parliament is going to be dissolved, apparently in a matter of hours, according to him. I do not know where he gets his information—

Mr. Martin (Essex East): Maybe I am closer to the Prime Minister than is the hon. gentleman.

Mr. Hamilton (Notre Dame de Grace): But it so happens it is not the hon. member's privilege to decide when parliament will be dissolved, and if he continues in his present vein it will never be his privilege no matter how long he lives.

I say merely in closing—and I have tried to be brief because to me the time of this committee is valuable, and the matters which we discuss here are important—

Some hon. Members: Oh.

Mr. Hamilton (Notre Dame de Grace): We are most anxious as a government to proceed expeditiously with the business before us. There are other matters to be brought forward. There are measures to be discussed. It has been pointed out in great detail the amount of time which has already been spent on these estimates and on those which have preceded them. We have seen another example tonight of delay, obstructionism, of grasping at any straw which can be found in order to continue a pointless waste of time—

Mr. Martin (Essex East): On a point of order, Mr. Chairman. So far we have had a fairly objective discussion and it is unfortunate that the Postmaster General should have introduced terms which have not characterized this debate so far.

Some hon. Members: Oh.

Mr. Martin (Essex East): I suggest to you, Mr. Chairman, that it is not within our rules for an hon. member of this committee to say that another hon. member is engaged in a process of obstruction. Surely no one can be charged with obstruction if he is seeking to obtain an opportunity for the discussion of questions which are of vital interest to us all. I would ask you to request the Postmaster General to recover the calm and serenity which, on occasions, he possesses, and recognize that in making the remarks he has, he was making remarks which are unparliamentary.

The Deputy Chairman: As I heard the comments of the Postmaster General it appeared to me he was using the expressions he did in broad terms without particular application to any hon. member and without even particular reference to a party in the house. I cannot find that his use of language was unparliamentary, if one might apply that term.

Mr. Hamilton (Notre Dame de Grace): I shall conclude, Mr. Chairman. We will not pursue this discussion of obstructionism. The point has been made, and those who read *Hansard* and watch this house in operation can judge for themselves the amount of time which has been wasted.

Mr. Martin (Essex East): Hear, hear. This is a sad night.

An hon. Member: Stand up when you talk.

Mr. Hamilton (Notre Dame de Grace): They can judge the amount of time which has been wasted by unnecessary repetition, by dragging in unrelated arguments—

Mr. Martin (Essex East): A sad night.

Mr. Hamilton (Notre Dame de Grace): The parliamentary secretary, in piloting these estimates through the committee in the name of the Minister of Finance does so with the complete support of the government. The position which he has taken on this matter is a sound one. It is one which is completely in keeping with the traditions and practices of this committee, and it is the position which is taken by the government itself.

Mr. Chevrier: Mr. Chairman—

The Deputy Chairman: If I may intervene briefly for a moment, may I say that I am concerned about the fact that we are not dealing with the item which is before the

committee for consideration. I am worried about the fact that we are not getting on with this discussion. I hope the hon. member for Kootenay West, to whom I shall give the floor since he rose before the hon. member for Laurier, has this in view.

Mr. Herridge: I am very sorry that the parliamentary secretary, and, later, the minister, did not respond favourably to the eloquent, logical and moving appeal of the hon. member for Essex East. I think that hon. member was fully justified in saying this committee should have the opportunity to hear a full report from the Secretary of State for External Affairs before proceeding with these estimates.

I listened carefully to the arguments of the parliamentary secretary and of the minister, but it seems to me that those arguments would apply if these were just tidbits of incidentally supplementary estimates brought forward in the normal way. But we are not operating in normal circumstances or times. These are abnormal times. This house has been in session since early in January and it has not had an opportunity to discuss foreign affairs during one of the most serious periods in the world's history.

Since the plea of the hon. member for Essex East has been denied, and in the knowledge that the opposition is determined to hear the Secretary of State for External Affairs, I think we could very profitably spend the next hour discussing a matter of great importance to the Canadian people, to the people of British Columbia and to all the people of my constituency, namely, the question of the Columbia river treaty. This is a story that should be told to the Canadian people and I am going to take advantage of the situation this evening.

Mr. Flynn: I rise on a point of order. You have indicated before, Mr. Chairman, that you had doubts about the relevancy of the discussion which has been going on for an hour. I draw to your attention that there is nothing in this item which would allow a discussion such as has been going on up to now. The rule applicable, as you know, is the rule of strict relevancy. Furthermore, this is a matter of a further supplementary estimate. I have referred Your Honour in previous debates to May's comments at page 738 of the latest edition.

I am sure the hon. member for St. Henri will have something to contribute to this discussion because he is so knowledgeable on the rules of the house. If he cares to contribute I would be most happy to hear him, but in the meantime I suppose I have the floor and the hon. member will permit me to continue.

[The Deputy Chairman.]

Some hon. Members: Oh, oh.

Mr. Flynn: I know that hon. members on the other side have previously endeavoured to prevent me from rising on points of order because of my having occupied the position which you, Mr. Chairman, now occupy. But may I remind hon. members that it is the duty of all hon. members to help the Chair to apply the rules of the House of Commons notwithstanding the fact that one may have had some experience in the chair. What the hon. members have been discussing here is entirely out of order. If they wish to do so, they may move that the item be allowed to stand. That is their business. But discussing whether we could hear the report of the Secretary of State for External Affairs on the conference at Geneva would be completely outside the scope of debate which would be allowed under this estimate.

Because the hon. member for Essex East or the hon. member for Kootenay West suspects that there might be dissolution is no reason for altering the rules of the House of Commons. The house could not work on any such assumption. I therefore think that until the committee agrees to changing the rules, whatever may be the argument of hon. members with regard to dissolution, I think it is the duty of this committee to adhere to the rules.

Mr. Chevrier: I rise on the point of order which the minister has been discussing. I am sure Your Honour has been greatly assisted by the remarks of the Minister of Mines and Technical Surveys who relatively recently left the position you now hold. I am sure he is wise and well versed in the rules of the house. However, in his reference to the rule on the item under discussion with which hon. members are quite familiar, there is one thing which the minister seems to forget. That is why I chose to rise on the point of order. When there has been a discussion such as the one which has been going on today, and a statement such as the one which has been allowed on the part of the Postmaster General who I regret is absent from the house, as I have something to tell him particularly—

Mr. Pallett: On the point of order?

Mr. Chevrier: —I think it is the duty of the Chair—and I say this respectfully—to allow those who wish to say something in answer to what has been said by the Postmaster General, an opportunity to do so.

Mr. Flynn: This is not on the same point of order.

Mr. Chevrier: Yes, I am speaking on the same point of order.

Mr. Flynn: No.

Mr. Chevrier: I am speaking on exactly the same point of order as was the minister.

Mr. Pickersgill: The minister gave us a lecture.

Mr. Chevrier: Yes; the minister who seems to have become so well versed—

Mr. Flynn: I have had enough from your side.

Mr. Chevrier: He deserves to have some.

Mr. Flynn: I have said that we have had enough lectures from your side.

Some hon. Members: Oh, oh.

Mr. Chevrier: If one is to judge by the conduct of the minister the other evening in his interruptions—

Some hon. Members: Order.

Mr. Chevrier: —from that side of the house then I think—

Mr. Flynn: I rise on a question of privilege. The hon. member has referred to my conduct in other circumstances. If he wishes to deal with it I have no objection. However I hope Your Honour will allow me in turn to deal with it. Otherwise, I think the hon. member should revert to the point of order.

Mr. Chevrier: That is not a question of privilege.

Mr. Flynn: That is a question of privilege. The hon. member has referred to my conduct, and this is not relevant to the point of order which at present is being discussed.

Mr. Chevrier: If the hon. gentleman will keep his mind in peace and resume his seat I will discuss the point of order.

Mr. Flynn: Yes.

Mr. Chevrier: The minister is very sensitive about points of order and questions of privilege. When he is subject to attack, he feels that he must rise. Sometimes I think he has a persecution complex.

Mr. Flynn: Oh, no.

Mr. Pigeon: The hon. member is the one who has that. He changed ridings.

Mr. Chevrier: If there is a point of order, and as he rose on a point of order, I think he should at least allow me to complete the point which I had in mind to make. I was coming back to the point which I intended to raise in the first instance. What I wish to say in connection with this matter is that it is not at all accurate for the Postmaster General or the parliamentary secretary to the Minister of Finance to state in this chamber that the rules of the House of Commons have been breached by what has been done by my friend the hon. member for Essex East and the rest of us who have taken part in this debate. In answer to that assertion I wish to put on *Hansard* what took place on March 18, 1957—

Mr. Flynn: Order.

Mr. Pickersgill: It is a point of order. You cannot have a point of order on a point of order.

Mr. Chevrier: —under circumstances which were not unlike these. On March 18, 1957, as found at page 2431 of *Hansard* there was under discussion an item—

Mr. Flynn: Stick to the point of order—

Some hon. Members: Oh, oh.

Mr. Chevrier: No point of order can be taken when one is already under discussion.

Mr. Flynn: I am not raising a point of order.

The Deputy Chairman: Order. I am quite prepared to hear the hon. member for Laurier out. I just wish the members of the committee to reflect on this quotation from May's 16th edition at page 737 where he states as follows:

> If the sum demanded by a supplementary estimate is of the same order of magnitude as the original estimate, the chairman has allowed questions of policy to be raised upon it which would have been in order if it had been an original estimate; but if the supplementary estimate is merely to provide additional funds of a relatively moderate amount required in the normal course of working of the services for which the original vote was demanded,—

These are the words which I thought hon. members ought to note.

> —only the reasons for the increase can be discussed and not the policy implied in the service which must be taken to have been settled by the original vote; nor can savings be discussed.

I am sorry that I interrupted the hon. member for Laurier. However at that point the committee was experiencing a series of interruptions in any event and I just thought I should refresh the memories of hon. members of the committee with regard to that very important authority. I will now hear what the hon. member for Laurier has to say.

Mr. Chevrier: I thank the chairman for having brought to my attention the matter with which he has just dealt. I think I shall be able to conclude what I have to say rather quickly. I would draw Your Honour's attention at once to the fact that these estimates have reference to $130 million.

Mr. Flynn: Not this item.

Mr. Chevrier: These items.

Mr. Flynn: Not this item.

Mr. Chevrier: I am trying to deal with what the chairman has said. If my hon. friend had

been listening to the remarks of the Chair, he would not have made that interruption as the Chair was indicating that when one deals with the ordinary estimates, that is the rule. The point I am trying to make is that these estimates are not ordinary estimates since they are of the magnitude of $138 million, of which $67 million have to do with the deficit of the Canadian National Railways and $6.7 million have to do with—

Mr. Flynn: We are dealing with external affairs now.

Some hon. Members: Order.

Mr. Chevrier: I am now told that we are dealing with external affairs. Surely, Mr. Chairman, I am not going to be denied the opportunity of replying to the inaccurate statement made by the Postmaster General and also the parliamentary secretary. I wish to reply to that statement. The Postmaster General said that the rules of this House of Commons were not being adhered to. He said that what we were doing is not customary in a debate such as this one because it offends against all the rules of the house. That is not so. That statement is not accurate and I intend to prove that it is not accurate, I intend to do so by a reference which can be found at page 2431 of *Hansard* of March 18, 1957. The house was then discussing item 546, "Production service—Health of animals", the last supplementary estimate. Mr. Gardiner was in his place and was being questioned on that item. If hon. members will only take the trouble to go to *Hansard* they will see that for a period of two hours, from eight o'clock in the evening when the committee resumed, the committee discussed item 546 until it adjourned at ten o'clock the same night, because the hon. member for Assiniboia called it "ten o'clock" and progress was reported. There are almost 20 pages of discussion on the last supplementary estimates, so that I am surprised that the Postmaster General, who should know better because he has been in this house longer than the parliamentary secretary, should try to tell us what he did. Then there is this other statement—

Mr. Pallett: What was the total time taken on supplementary estimates in that session?

Mr. Chevrier: What was that again?

Mr. Flynn: On a point of order, Mr. Chairman, the Postmaster General—

Mr. Chevrier: There can be no point of order. The minister, who was chairman of committees of the house, should at least know what the rules are and should not be interrupting me on a point of order.

[Mr. Chevrier.]

Mr. Flynn: Will the hon. member permit a question?

Mr. Chevrier: When I sit down, yes, I will allow the minister to ask a question. I ask the minister to resume his seat.

The Deputy Chairman: Order. I do not think the interruptions are helping us to make progress on the point of order and I think they should be modulated, if I may use that word, to permit the hon. member for Laurier to complete his point. I would remind the committee that the hon. member who had the floor before the discussion started was the member for Kootenay West and I hope we can bring this to a conclusion as quickly as possible.

Mr. Chevrier: I will do my best, but I assure you I would have been finished a long time ago if it had not been for these interruptions. There are just two other points and I will make them as quickly as I can. The minister has said that there has been obstruction and delay. I say to the minister and the parliamentary secretary that if there has been obstruction and delay with reference to these estimates it has been obstruction and delay on the other side of the house. On behalf of the opposition I made the offer to the house leader last week in connection with these estimates that if the Minister of Finance would tell the house what the urgent measures were that had to be dealt with and which were holding up cheques of civil servants and holding up cheques in regard to any other matters having to do with these estimates, we would consider those items and pass them at once if need be. I went a step further and said that if he wanted to include them in an appropriation bill we would be willing to pass that appropriation bill quickly.

Mr. Bell (Carleton): That was the earlier set of supplementaries.

Mr. Chevrier: There has been no response to that offer and that surely is some indication of delay. The other point is that we were told we would be dealing with these estimates beginning Wednesday of this week. Under what rule of the house, either in the rules as we know them here or any change, is it the right of the government to tell us that we must dispose of these estimates within three days? That is exactly the effect of the statement made by the house leader.

The Deputy Chairman: Order. I think the hon. member for Laurier has progressed into a discussion of the business of the house, to some extent in retrospect. I feel now that no ruling is really called for and I think

we should perhaps give the floor back to the hon. member for Kootenay West if that is agreeable.

Mr. Chevrier: I always obey your rulings, Mr. Chairman.

Mr. Flynn: There should be a ruling made on the point of order I raised.

The Deputy Chairman: I think the Chair has forgotten what the point of order was.

Mr. Pickersgill: I think Your Honour is very wise to forget.

Mr. Flynn: If Your Honour will permit me I will remind you that it had to do with the rule of relevancy, but as the hon. member for Laurier was permitted to revive the whole debate I understand, of course, that Your Honour might have forgotten what the point of order was.

Mr. Herridge: Mr. Chairman, with your permission I should like to take advantage of the time available to discuss a matter of great concern to the Canadian people, particularly the people of British Columbia and more particularly the constituents I have the honour to represent, namely, the Columbia river treaty. I think we are justified in doing so under the rules because during recent weeks and months we had read of discussions and differences between the federal government and the government of British Columbia. Members of this house are quite uncertain as to the direction in which matters are proceeding.

Mr. Browne (St. John's West): On a point of order, Mr. Chairman—

Mr. Martin (Essex East): Surely you are not going to interfere. Surely members of this house have some rights.

Mr. Browne (St. John's West): The hon. member spoke for about half an hour and he should give someone else a chance to say something.

Mr. Martin (Essex East): Closure. Totalitarianism.

Mr. Browne (St. John's West): Surely we are as much entitled to raise a point of order as the hon. member. The point I should like to make, Mr. Chairman, is that your predecessor in the chair a few moments ago read a citation from May, page 738, which said that if the amount of the estimate to be considered is comparatively small—I do not know what the hon. member for Bonavista-Twillingate would say about that; I think I overheard him say it was three or four million dollars—

Mr. Pickersgill: For external affairs, $4 million.

Mr. Browne (St. John's West): The total amount of these estimates for 1961-62 is $93 million and the proportion is three or four million dollars to $93 million. Would the chairman think that would justify embarking upon a discussion of the Columbia river project at this stage of the supplementary estimates or should the hon. member not be confined to asking questions regarding the various items that are to be considered tonight? There is an item of $225,000 for departmental administration. Surely that does not justify hon. members embarking upon all sorts of questions having to do with policy.

Mr. Pickersgill: Does the hon. member not think $4 million is a lot of money?

Mr. Browne (St. John's West): It is a great deal of money in my books.

Mr. Martin (Essex East): You belittled it. "What's $4 million", you said.

Mr. Browne (St. John's West): No, I did not say that.

Mr. McDonald (Hamilton South): We do not have a Mr. Howe over here.

Mr. Browne (St. John's West): I am referring to what is said in May.

Mr. Pickersgill: I should like to say a word on the point of order that the distinguished Solicitor General has raised. It is true that the item for departmental administration is only $225,000 but an extra $4 million is being asked for the Department of External Affairs in these supplementary estimates—

Mr. Bell (Carleton): Why don't you discuss it then?

Mr. Pickersgill: —which is a very considerable fraction of the total amount voted for this department. It seems to me that it is not an insignificant amount in the eyes of the Canadian people, however insignificant it may seem to the Solicitor General and to the Minister of Finance and his parliamentary secretary. Moreover, even $225,000 is the cost of restoring Arizona Charlie's and that is a large amount of money.

The Chairman: On the point of order, I would call on the hon. member for Kootenay West and I will listen to what he has to say. If he gets too far from the realm of relevancy I will be able to remind him.

Mr. Herridge: Thank you, Mr. Chairman. I will stay strictly within a subject that comes under the administration of the Department of External Affairs. Let me say to the Solicitor General, who used his best efforts to try to stop me speaking for my constituents, that not only am I speaking for the party I have the honour to represent

but I am also speaking for a large number of people who support his party and a large number who support the Liberal party who have asked me to take the first opportunity available in the house to place before it certain information with respect to this development from the local point of view and certain information with respect to the engineering aspects of the Columbia river treaty. If I am denied this opportunity now I will have to go home and say that I had closure applied to me by a member of the cabinet.

Mr. Bell (Carleton): On a point of order, Mr. Chairman, no one seeks to apply closure to anyone. We only seek to have the rules of the house applied fairly and equally to all members of the committee. In the particular departmental administration item now before the committee there is nothing which relates to the Columbia river treaty. Anything that relates to the Columbia river treaty will be found in the administration item of the main estimates under international joint commission. There is not a dollar in this item, I suggest to the hon. gentleman, who is one of our most experienced and genial parliamentarians and who at least should set an example to the house as to how we in this house should conduct ourselves, for this Columbia river. The hon. member should be an example rather than treating the house to the farce to which we have been treated tonight by that distinguished hon. member for Essex East.

Mr. Chevrier: I should like to speak to the point of order, Mr. Chairman, and I should like to deal with the outburst and loss of temper—

Mr. Bell (Carleton): Oh no, I just enjoyed myself.

Mr. Chevrier: —which is not often displayed by the hon. member.

Mr. Pickersgill: He is getting more like the Minister of Finance all the time.

Mr. Chevrier: As my hon. friend from Bonavista-Twillingate says, he is imitating the Minister of Finance a great deal. The point my friend makes is not well taken. I submit that under the item for departmental administration it is the privilege of hon. members to deal with any part of matters having to do with the department. This is what I tried to show earlier when I put on the record, before Your Honour was in the chair, what happened under similar circumstances with the item concerning the Department of Agriculture. From eight o'clock until ten a discussion took place and the item was not passed until then. I say, therefore, with respect that the parliamentary secretary is entirely wrong in what he says. We have an item headed, departmental administration, and even though there is nothing in it having to do with the international joint commission, the Columbia river project is not a matter that concerns exclusively the international joint commission. Surely my friend will concede that. Under those circumstances I say to you, with respect, that the hon. member for Kootenay West has the right to do what he was doing.

Mr. Flynn: Mr. Chairman, may I point out to Your Honour that I cited to the deputy chairman of committees, when this point was first raised, the rule that is laid down in May's last edition. It is on page 738 and is to the effect that a general policy debate is not allowed under an item such as this. May I suggest to Your Honour that the rules of the house do not belong only to the opposition but to the whole house. When there is obstruction every member, those on the government side and in the opposition, suffer from it. All members suffer when the rules are not adhered to by members on all sides.

Mr. Pickersgill: I should like to say a word precisely on the point that has been raised. I referred earlier to what happened during the consideration of the last supplementary estimates brought before this house by a government that respected the rights of hon. members in committee of supply. During the consideration of an item for citizenship and immigration, because there had been new developments, because the Hungarian business had come up since the regular estimates had been passed, the government of that day, knowing the facts of the situation and the fact that this was a national forum, allowed discussion of the matter without points of order being raised. Another matter in which hon. gentlemen were greatly interested at that time was George Christian Hanna, who had come in at that time, and the present Prime Minister was making great humanitarian speeches about him, the same Prime Minister who later deported him. These subjects were discussed at great length without any points of order being raised, without any attempt by Mr. Harris or anyone else on the front benches to stifle debate in the way it is being stifled by these incessant points of order from these hon. gentlemen opposite.

We would have had half of these estimates through this evening if the reasonable request of the hon. member for Essex East had been met. Probably all the estimates would have been through, except external affairs, if hon. members opposite had not dug in their heels and stubbornly refused to have the minister

here when he could be here tomorrow. This is the minister whose estimates we are being asked to pass.

We have not taken any objection to the fact the Minister of Finance is not here. We remember one evening when Mr. Drew was leader of the opposition and he refused to proceed with the estimates because they were being piloted by a parliamentary secretary without the minister being in the chamber. He made a terrific scene about it. It seems to me we have shown some courtesy to the parliamentary secretary in not raising this point that the Minister of Finance is not here. When we say that the minister whose estimates are being considered ought to be here and make a reasonable request that they be held up until he gets here, this request is refused. We are accused of obstruction. It is a pretty topsy-turvy kind of attitude to the rules and to the practices of parliament being exhibited by hon. gentlemen opposite.

Mr. Herridge: Mr. Chairman, I do not think it is an unreasonable request to have an opportunity to discuss this subject because it has been a fluid situation. There have been differences of opinion since we last discussed the subject between the federal and provincial governments; there have been differences of opinion between ministers of the crown and ministers in the United States. The Prime Minister and the ministers of the government have answered questions directed to them to try to elicit information. Surely, Mr. Chairman, one should have an opportunity of presenting the views of one's constituents which are broadly based and broadly held.

Now, Mr. Chairman, if I could be allowed to proceed—

The Chairman: I listened with great interest to the general remarks the hon. member has just made. I think I should caution him before he goes into detail on the subject that he should keep his remarks in rather general terms. As the parliamentary secretary has pointed out, there is no money being requested in this group of supplementary estimates for the subject on which the hon. member has embarked. On the other hand, we have a vote concerning administration. Even in May there are citations restricting debate and other citations which seem to enlarge it a bit. While remembering the rule of relevancy and also that the Columbia river development is not mentioned in the item, I will permit the hon. member to make a few general remarks. However, if he gets into particulars about the subject, I think then he will definitely be transgressing the leniency the Chair is supposed to allow.

Mr. Herridge: You impose a very particular burden on me, Mr. Chairman, to talk in general terms about the particular or, in other words, to talk in abstract terms about the concrete. I shall do the best I can. I think what I am going to say, Mr. Chairman, will be of interest to members because this is a matter of some substance. I wanted to tell members, first, of the particular local details in connection with this matter. I am quite sure that under these estimates there is some provision for entertainment related to the Columbia project. If you look at one or two of the items, I think they could be related to the Columbia river treaty. There would be certain hospitality extended when these gentlemen come up from the United States.

Mr. McIlraith: You mean the Minister of Finance entertained them?

Mr. Herridge: I am speaking of the Department of External Affairs. I am sure they would not allow Mr. Udall to come to Canada without treating him to a nice dinner or refreshments. I think in that way I can relate the item to the Columbia river treaty.

The Chairman: As someone remarked on a previous occasion, that would be really taxing the imagination of the chairman to accept such a viewpoint. Unless the hon. member can state it in a more specific way than he has done, I cannot see that this estimate for $225,000 could relate by near or by far to the Columbia river. I know the difficulty of the hon. member, but still these difficulties spring not from the ruling of the Chair but from the rules as they were made, and these must be applied. I think the hon. member will have to base his discussion within the limits involved.

Mr. Herridge: There is another item here, representation abroad, operational expenses, travelling expenses, postage, telephones and telegrams. Could you assure me that none of that money is to be spent on telephone calls or telegrams in connection with this matter?

The Chairman: The hon. member is on a different item. He has gone on to the next item. Right now we are on item No. 692.

Mr. Herridge: But it comes under "departmental administration."

Mr. Martin (Essex East): Could I ask the chairman if the Chair and the hon. members of the house realize the consequences of the disposition that is being made of this matter? The contention is made that because under the departmental estimate no particular expenditure is proposed, then that precludes a discussion of this particular matter. When the original item is proposed or when, as

is now the case, we are discussing further items of proposed expenditure under departmental administration, surely that ruling in May does not mean what the minister of mines suggests? Surely under our procedures, under departmental administration it is open to us to discuss anything having to do with administration, whether it involves expenditure or not. That is the rule; and to interpret May as is suggested by the Deputy Speaker is, I believe, stretching the rule. Also, while I am speaking, I would suggest to you that there are not many precedents in this house when former presiding officers have chosen to influence the course of procedural decisions as we have had it done tonight.

The Chairman: The Chair would very much like to be enlightened if the hon. member had a precise citation.

Mr. Martin (Essex East): Well, it is common sense.

The Chairman: If the hon. member had a precise citation covering this matter I would certainly like to hear it, but in the absence of such a precise citation I can only go by rule 59, paragraph 2—

Mr. Martin (Essex East): Which does not say that.

The Chairman: —which says the discussion must be relevant—

Mr. Martin (Essex East): Of course.

The Chairman: —and I must also bring forward the principles that are enunciated at page 738 of May. I have not stopped the hon. member yet. I have only cautioned him to remain within this scope. I appreciate his difficulty. I think he is trying to co-operate with the Chair and perhaps we should allow him to continue.

Mr. Martin (Essex East): On a point of order. I asked while Your Honour was talking, if I could see May's book. I suggest on reading his citation it does not lend itself to the interpretation which Your Honour has put on it. It says "relevant," but what the hon. gentleman is discussing is a matter which comes under the administration of the Secretary of State for External Affairs, and to say he is precluded from discussing a matter under this item, which does not at this particular time involve a proposed expenditure, is stretching the meaning of the citation beyond reasonable terms. That is what I am saying.

I am not offering any citation. I am simply asking for a literal interpretation of what the English language says in May.

Mr. Fulton: As interpreted by Martin's bureau of statistics.

[Mr. Martin (Essex East).]

The Chairman: That is what the Chair is trying to do. The deputy chairman read from May a little time before I took the chair, and there are certain lines which are particularly applicable to the present case. For instance:

> As a general rule, on the supplementary estimates it is in order to discuss only the particular items which constitute the supplementary estimates and the sub-heads of the original estimates can only be referred to so far as they are involved in the fair discussion of the points contained in the items asked for in the supplementary estimates. Of course, it is quite obvious that it should be improper, as a general rule, to raise on a supplementary estimate the whole question of policy involved in the original estimate—

Mr. Martin (Essex East): That is right.

The Chairman: Further down it says:

> —if the supplementary estimate is merely to provide additional funds of a relatively moderate amount required in the normal course of working of the services for which the original vote was demanded, only the reasons for the increase can be discussed and not the policy implied in the service which must be taken to have been settled by the original vote.

I believe that the general gist of all of that is that under the main estimate of administration, as everyone knows here, all phases of departmental administration and all matters affecting the department can be discussed; but here we are limited by the fact that we are only asked for certain additional sums and we are further limited in our discussion by the details of that estimate. Unless the hon. member can relate his remarks to these sub-heads I cannot really see how he would be in order.

Mr. Pickersgill: I think I can do that very easily. I notice that $33,000 of this particular additional amount—as the hon. member for Kootenay West directed our attention to it —is for telephones, telegrams and other communication services. Only three days ago the Prime Minister admitted in this house that he had received a message on this very subject from the government of the United States, and no one will make me believe—unless the minister produces all his messages and shows it is not true—that no part of this $33,000 is not being used for communications with regard to the Columbia which no longer, contrary to what the parliamentary secretary has indicated, has to do with the I.J.C. This is a treaty, and the Secretary of State for External Affairs is responsible for the decision as to whether or not that treaty will be brought before the house and whether it will be ratified. So, it is entirely within departmental administration, and there is in this item a detail which prima facie has to do with the Columbia. Probably a great part of this $33,000 had to be used because of the difficulty over the Columbia.

The Chairman: I thank the hon. member for his valuable contribution and I am convinced that the hon. member for Kootenay West would be in order if he asked the parliamentary secretary whether any sums of money being asked were applied to phone calls made in regard to this matter; but he is not entitled, as far as I can see, to discuss the general matters of the Columbia river development.

Mr. Herridge: Well, Mr. Chairman, this is an unusual circumstance and there have been continuing and changing developments with respect to this matter. This is an entirely new matter arising out of the circumstances of the signing of this treaty. I wanted to give this information to the house because I was asked to give it at the first opportunity. So far as the provincial government is concerned, and I say this without any hesitation, in my opinion it has acted in bad faith in this matter. I agree with what the federal government did so far as the treaty is concerned, not its effect, terms and details, but I do think that the provincial government has acted in bad faith in leading this government to believe it agreed with the terms of the treaty, whether directly or indirectly, permitting this government to sign it, and then changing its course of conduct shortly afterwards. I think that should let me off the hook. Anyway, the provincial government held hearings which were conducted by the water controller.

Mr. Bell (Carleton): How the provincial government comes into this is surely something the hon. gentleman has not explained to the committee in any way.

Mr. Martin (Essex East): What is parliament being reduced to?

Mr. Bell (Carleton): It is the hon. gentleman who is endeavouring to reduce parliament to something by his exaggerated histrionics and by the buffoonish contortionism he is conducting tonight.

Mr. Martin (Essex East): All I can say to the parliamentary secretary is that what he is trying to do is prevent us from talking, depriving us of the right to free discussion in this house.

Mr. Bell (Carleton): That is the most utter nonsense the hon. gentleman has ever uttered in this house, and he is a past master at uttering nonsense in the house.

The Chairman: I do not think anybody is trying to stifle anybody else. As far as the Chair is concerned—

Mr. Chevrier: I am not so sure.

The Chairman: —it is only interested in promoting free and uninhibited discussion.

Mr. Chevrier: Can we hear from the Minister of Justice?

The Chairman: But the Chair is fettered by the rules, which all hon. members of the committee have freely accepted. I know that the hon. member for Kootenay West, who is a great expert on the conduct of this house, will want to abide by the rules to which he was a party.

I am forced to agree with the parliamentary secretary that in introducing affairs concerning the provincial government the hon. member was getting out of order. Although he is committed to raising this matter at the first opportunity, I do not believe that this is the right opportunity to do so.

Mr. Chevrier: Mr. Chairman, do you really agree with the conduct of the parliamentary secretary?

An hon. Member: Sit down.

Mr. Chevrier: He almost crossed the floor.

The Chairman: I was not discussing any hon. member's conduct; I was only discussing the ideas expressed, and I mentioned one aspect of his remarks with which I had to agree. I am sure the hon. member who has the floor will abide by the rules.

Mr. Pickersgill: I wonder if I might make an appeal to Your Honour. On Monday of this week the Prime Minister came in here and asked the house in a very conciliatory way to join him in an effort to abolish the closure rule. Could we not proceed, sir, in the spirit in which the Prime Minister began the activities of the week?

Mr. Fulton: That is what we are asking you to do.

The Chairman: I am sure we were all inspired by those motives, but this is not a discussion about closure.

Mr. Chevrier: Oh, I don't know, sir.

The Chairman: As a matter of fact the rules exist as they are to prevent closure and to permit free debate. If it were open to every hon. member to introduce any subject that came into his head upon every item, obviously no business would be transacted at all. The only purpose of the rules is that the business shall be transacted.

Mr. Fulton: Shall the item carry?

Mr. Martin (Essex East): No, we will be here for days at this rate.

Mr. Herridge: Mr. Chairman, I was going to mention the hearings held by the water

controller as part of his responsibility under provincial law in connection with this treaty. He held hearings at Kaslo, Revelstoke, Nakusp and Castlegar and over 1,000 people attended those hearings. Three hundred people made written or verbal representations before the controller. I want to bring this to the attention of the ministers concerned because it was one of the most unusual circumstances in Canadian history. Here, in connection with this treaty, is a water controller acting in a judicial capacity to make a decision as to whether a licence would be given, while at the same time the water controller was part of the British Columbia negotiating team representing British Columbia and pressing for the building of the High Arrow and other dams. He was praised by the minister of lands and forests in the province of British Columbia for his work in promoting it alongside his pal Dr. Keenleyside. Then at the same time he signs a report of the British Columbia energy board in which the same subject is discussed and the same matter is dealt with. I raised this point first of all—

Mr. Flynn: On a point of order, Mr. Chairman, may I suggest that you have an interpreter for the hon. member for Kootenay West, because apparently he does not understand your ruling.

Mr. Martin (Essex East): Oh, such insolence.

Mr. Chevrier: Order.

Mr. Pickersgill: A junior member of the house.

The Chairman: I am sure that the hon. member did understand my ruling.

Mr. Monteith (Perth): He does not abide by it.

The Chairman: I do not think he has adhered strictly to it. In introducing matters in connection with provincial bodies I am not quite sure whether he is even on external affairs; in any event he is certainly not on item 692. I would ask the hon. member's co-operation, because after all there are quite a number of items here and there are probably many hon. members who wish to speak on this particular item and have relevant contributions to make. I hope the hon. member's contributions will likewise be relevant.

Mr. Herridge: I will try and make them relevant, Mr. Chairman, by saying that the people who attended these hearings have asked me to rise in this house and repeat briefly what was said at those hearings.

Mr. Fulton: Do it at the right time.

[Mr. Herridge.]

Mr. Herridge: They wish me to mention briefly some of the things that were said at those hearings.

Mr. Monteith (Perth): Irrelevancy.

Mr. Herridge: I am speaking to the government of the day on behalf of my constituents and organizations in my constituency.

Mr. Fulton: Do it at the right time.

Mr. Herridge: I must explain, Mr. Chairman, that they protest most vigorously that here a treaty was signed without any survey being made of the land which was being flooded, or of its value, without any proper estimate of the cost of the public facilities that were to be flooded—over 20 docks and wharves, and things of that sort—and with no estimate as to the destruction of the forest industry.

Mr. Pallett: On a point of order, Mr. Chairman.

Mr. Herridge: For these reasons I have been asked—

The Chairman: Order. The parliamentary secretary has risen on a point of order.

Mr. Pallett: Mr. Chairman, the rule has been specified a number of times this evening. I refer to the rule of relevancy in debate. With regard to this matter Your Honour has expressed very clearly that adherence to the rule provides for the expedition of the business of the house. I think the hon. member for Kootenay West is out of order in his remarks. I also think that the conduct of the official opposition this evening has indicated—

Mr. Martin (Essex East): Order.

Mr. Chevrier: Order. Mr. Chairman, I rise on a question of privilege.

The Chairman: I agree that the parliamentary secretary was going beyond the point that the point of order warranted. However, the first part of his remarks were well taken, and again I must caution the hon. member to restrict his remarks to the item under consideration.

Mr. Herridge: Mr. Chairman—

Mr. Martin (Essex East): Such frivolity.

Mr. Herridge: Mr. Chairman, I am dealing in a concrete way with a problem that is related to the administration of the Department of External Affairs. I say also that there was no assessment of the damage done to the forest industry or to the fishing industry.

Mr. Monteith (Perth): On a point of order, Mr. Chairman, I claim that the hon. member for Kootenay West is completely defying your ruling as to relevancy.

Mr. Chevrier: Where is the point of order?

The Chairman: Order. I do not believe that the hon. member is animated by a spirit of defiance, but he seems to have some difficulty in restricting his remarks to the item under consideration. Perhaps, as I tried to suggest a little earlier, this may not be the proper opportunity for the hon. member to raise the very interesting points that he wishes to raise, and perhaps he will contain his remarks until a more appropriate occasion.

Mr. Herridge: Mr. Chairman—

Mr. Chevrier: Mr. Chairman, on the point of order, I did not clearly understand the point of order raised by the Minister of National Health and Welfare. I wonder whether he would explain it to the committee once again.

Mr. Monteith (Perth): Yes, I would be very glad to do so. It was simply that the hon. member for Kootenay West was not following the instructions as to relevancy laid down by the chairman.

Mr. Chevrier: Is that a point of order?

Mr. Monteith (Perth): I would think it should be.

Mr. Pickersgill: Mr. Chairman, on the point of order raised by the Minister of National Health and Welfare it does seem to me that he has insulted Your Honour and he has insulted the committee—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —by suggesting that Your Honour presumes to instruct any hon. member in a free parliament. I suggest that the person who needs instruction in free assemblies is the Minister of National Health and Welfare himself and that he should not be permitted to make these irrelevant interventions in a serious debate about the administration of the Department of External Affairs.

Mr. Flynn: You should not either.

The Chairman: To put the hon. member's mind at ease, I must say that I was not at all incensed by what the minister said—

Mr. Pickersgill: Your Honour should be.

The Chairman: —because I feel that he said it in a spirit of co-operation to try and expedite the business of the committee. Perhaps the same spirit of co-operation will animate the hon. member for Kootenay West and he will now embark upon the item under discussion.

Mr. Herridge: Mr. Chairman, would I be in order in directing a number of questions to the parliamentary secretary with a view to getting answers?

The Chairman: The hon. member may direct his questions to the parliamentary secretary and as they arise I will decide whether or not they are relevant.

Mr. Herridge: I want to know from the parliamentary secretary to the Minister of Finance why a treaty was signed and an estimate given for a certain dam without any estimate of the cost of putting the logs of the Selgar Corporation over the dam. Does the Minister of Finance know that it will take $25 million to put the machinery in to take the logs over the dam and that the estimate in the original treaty was $50,000? Does the minister know that? Can he give me an answer?

Mr. Fulton: How does the hon. member for Kootenay West arrive at that figure?

Mr. Pickersgill: Perhaps the Minister of Justice could reply, since he has been so successful in these negotiations.

Mr. Bell (Carleton): I would be glad to answer any questions relative to the item which is now before the committee. When this committee is dealing with this particular matter raised by the hon. member for Kootenay West I am sure he will get all the information he desires. However, the inference contained in the question asked by the hon. gentleman is erroneous. I think it comes from one man, and one man only.

Mr. Herridge: Can the minister tell me if any officials of the Department of External Affairs have been informed by any official of the Selgar Corporation as to the cost of the construction of this equipment?

Mr. Bell (Carleton): This is not a capital item, and the hon. gentleman by repeating the same question is not going to make an irrelevant question more relevant.

Mr. Herridge: Surely, an official of that corporation visited the Department of External Affairs and gave the officials that information and asked for an answer.

An hon. Member: Still not relevant.

Mr. Herridge: Can the parliamentary secretary answer that question.

Mr. Bell (Carleton): I can only say to the hon. gentleman as I have said before that whatever blandishments he may hold out to me to answer an irrelevant question I feel that conducting myself in accordance with the rules of the house is better than getting into that discussion tonight.

Mr. Herridge: When I hear the parliamentary secretary say that an underestimate of $25 million on one dam is an irrelevant question, I think I have the right to continue this debate until we get the facts.

The Chairman: I am afraid the hon. member is confusing the committee in mentioning this contract for $25 million because the vote before us is only for $225,000. The hon. member is referring to items which are foreign to the subject properly under discussion.

Mr. Herridge: My point is that this is a matter which comes directly under the administration of the Department of External Affairs, and it is a matter upon which the department has been informed by this gentleman since we last had an opportunity to discuss these estimates.

An hon. Member: Who gave you the information.

Mr. Herridge: I am referring to personal conversations with a number of people who know what they are talking about.

Mr. Pickersgill: I want to pursue the inquiry which was raised by the hon. member for Kootenay West. We know where this matter stands. This treaty has not been ratified.

Mr. Fulton: What treaty?

Mr. Pickersgill: The Columbia treaty. The government has not even dared to bring it before the house.

Mr. Fulton: How does it arise under this item?

Mr. Pickersgill: Perhaps the Minister of Justice could reply when I have finished.

Mr. Flynn: On a point of order.

Some hon. Members: More closure.

The Chairman: Order. The minister of mines is rising on a point of order.

Mr. Flynn: The hon. member for Bonavista-Twillingate knows very well that Your Honour has ruled the discussion of this matter of the Columbia treaty to be irrelevant. If I rise on a point of order it is because I feel that the worst kind of closure is the one which has been conducted by members of the opposition.

Mr. Pickersgill: On the point of order which has been raised by a gentleman who had an opportunity to learn something of the rules, an opportunity not given to many of us, but of which he does not seem to have made very good use, let me say it has not been ruled that any discussion of the treaty is irrelevant. Your Honour has said it is not irrelevant to discuss it in a general way.

Further, I was proceeding to demonstrate that this matter was peculiarly within the item of departmental administration because it had not been resolved. There is no capital item. There is a project. A treaty has been signed but it has not been brought before the house. It lacks ratification. We want to find out why this has not been done, why there has been this delay on the part of the Secretary of State for External Affairs in getting on with the job. We should like to find that out from the Secretary of State for External Affairs.

Mr. Flynn: On a point of order—

Mr. Pickersgill: Surely not another of those dreadful points of order.

Mr. Flynn: I had risen on a point of order but I wish to withdraw it because it is ten o'clock.

Mr. Bell (Carleton): If the hon. gentleman is asking for information it is the first time there has been any real request for information from across the floor tonight. The opposition has been interested in wrangling, bickering and squabbling, not in a constructive request for information.

The Chairman: I really regret to have to interrupt this debate at this time, but the clock indicates that it is ten o'clock and it is therefore my duty to ask the committee if I may rise, report certain resolutions and request leave to sit again at the next sitting of the house.

Item stands.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Chevrier: Is it the intention of the government to proceed with the supplementary estimates tomorrow?

Mr. Churchill: Tomorrow we shall go on with the final supplementary estimates for the fiscal year 1961-62 which ends on March 31.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

Supply—Items Passed

[The following items were passed in committee of supply]:

DEPARTMENT OF AGRICULTURE

Administration branch—

675. Departmental administration—further amount required, $77,500.

676. Contributions to commonwealth agricultural bureaux—to increase by £3,553 the amount provided for in vote 3, main estimates, 1961-62; the equivalent in Canadian dollars, estimated as of February, 1962, is $10,446.

Production and marketing branch—

677. Subsidies for cold storage warehouses under the Cold Storage Act—further amount required, $78,588.

Health of animals division—

678. Payment of compensation to owners of animals affected with diseases coming under the Animal Contagious Diseases Act, which have died or have been slaughtered in circumstances not covered by the above act and regulations made thereunder, all as detailed in the estimates, $8,417.

Livestock division—

679. Supervision of race track betting—further amount required, $28,000.

680. Grants to agricultural fairs, exhibitions and museums in accordance with regulations of the governor in council—further amount required, $130,000.

Plant products division—

681. Contribution to Prince Edward Island, in accordance with terms and conditions prescribed by the governor in council, of one half of amounts paid by that province to potato growers in respect of their 1960 crop as compensation for losses due to fusarium rot to a maximum contribution by Canada of $300 in respect of any one farm—further amount required, $70,000.

682. Agricultural lime assistance—further amount required, $1,362,000.

Land rehabilitation, irrigation and water storage projects—

683. Reimbursement of the Prairie Farm Rehabilitation Act revolving fund for the value of stores which have become obsolete, unserviceable, lost or destroyed, $1,403.

Special—

684. Estimated amount required to recoup the agricultural products board account to cover the net operating loss recorded in the account as at March 31, 1962, $4,861,998.

685. Estimated amount required to recoup the agricultural commodities stabilization account to cover the net operating loss of the agricultural stabilization board as at March 31, 1962, $23,139,333.

Atomic energy control board—

686. Administration expenses of the atomic energy control board—further amount required, $1,400.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Indian affairs branch—

Reserves and trusts—

687. Operation and maintenance—further amount required, $59,500.

Welfare of Indians—

688. Operation and maintenance—to increase to $65,000 the grant to the province of Manitoba of one half of the cost of a program of community development and to provide a further amount of $765,000.

SECRETARY OF STATE

Civil service commission—

689. Salaries and contingencies of the commission including compensation in accordance with the suggestion award plan of the public service of Canada—further amount required, $5,000.

DEPARTMENT OF DEFENCE PRODUCTION

690. Care, maintenance and custody of stand-by defense plants, buildings, machine tools and production tooling—further amount required, $100,000.

Canadian Arsenals Limited—

691. Administration and operation—to extend the purposes of vote 74, main estimate, 1961-62, to reimburse Canadian Arsenals Limited in respect of outstanding balances of previous years' operating deficits, $1.

APPENDIX

EXPORT CREDITS INSURANCE CORPORATION—ANALYSIS OF COMMODITIES INSURED
for the year ended December 31, 1961

Commodity	Amount	Commodity	Amount
Agricultural products (other)	$ 23,039	Non-ferrous metals (other)	$ 243,259
Flour	9,273,316	Aluminum and products	24,737
Malt	1,734,594	Copper and products	3,612,105
Seeds	56,101	Electrical goods	1,468,409
Tire and rubber products	326,188	Meters	236,448
Alcoholic beverages	46,831	Non-metallic minerals (other)	403,235
Animal products (other)	592,454	Asbestos products	164,163
Fish	1,142,645	Refractory products	1,046,797
Hides and skins	406,158	Chemicals and products (other)	1,117,410
Leather and products	672,294	Chemicals	2,624,123
Milk and products	213,960	Pharmaceuticals	1,763,905
Tallow	55,748	Miscellaneous commodities	691,869
Fibres, textiles and products	4,896,262	Engineering services	4,000
Fish nets	629,040		
Wood and wood products	566,113	Total at the corporation's risk	$ 65,602,617
Paper and products	93,988		
Unmanufactured wood	27,888	Section 21	
Wood pulp	10,166,151	Aircraft	$ 219,625
Newsprint	817,440	Wheat	65,387,598
Iron and products (other)	4,108,115		
Auto parts	160,426	Total at the government's risk	$ 65,607,223
Farm machinery	4,316,101		
Needles	1,709,250	Grand total	$ 131,209,840
Steel	10,168,055		

HOUSE OF COMMONS

Friday, March 30, 1962

The house met at 11 a.m.

PUBLIC SERVICE

ANNOUNCEMENT OF APPOINTMENT OF UNDER SECRETARY OF STATE

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, following the traditional course I wish to announce the appointment of the under secretary of state and deputy registrar general of Canada in the person of Mr. Jean Miquelon, Q.C., of Danville and Montreal. Mr. Miquelon studied law at Laval University and was admitted to the bar of the province of Quebec in 1934. He joined the Canadian army in 1941, following a period of service as crown prosecutor in Val d'Or. He spent several years overseas and became deputy judge advocate general of the Canadian army occupation force in Germany; returned to Canada with the rank of major and resumed legal practice in Montreal. Mr. Miquelon served as the Quebec representative on the dominion command of the Royal Canadian Legion from 1955 to 1960, and in the latter year was elected vice-chairman of the Legion's dominion command. He is recognized as a distinguished member of the bar, and the government is pleased that a man of his capacity is available to accept this appointment.

COMMITTEES OF THE HOUSE

VETERANS AFFAIRS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. G. W. Montgomery (Victoria-Carleton) presented the first report of the standing committee on veterans affairs, and moved that the report be concurred in.

Motion agreed to.

MISCELLANEOUS PRIVATE BILLS

Third report of standing committee on miscellaneous private bills—Mr. McCleave.

RAILWAYS, CANALS AND TELEGRAPH LINES—FIFTH AND SIXTH REPORTS OF STANDING COMMITTEE—MOTION FOR CONCURRENCE IN SIXTH REPORT

Mr. W. M. Howe (Wellington-Huron) presented the fifth and sixth reports of the standing committee on railways, canals and telegraph lines, and asked for unanimous consent to move that the sixth report be concurred in.

Mr. Speaker: Has the hon. member unanimous consent to present this motion?

Mr. Chevrier: No, sir.

Motion stands.

UNITED NATIONS

DISARMAMENT CONFERENCE—REPORT BY EXTERNAL AFFAIRS MINISTER

Hon. Howard C. Green (Secretary of State for External Affairs): No doubt, Mr. Speaker, the house would be interested in having a brief report on the disarmament conference which has now been under way in Geneva for over two weeks.

Canada has been very deeply interested in this disarmament conference. Hon. members know our nation was a member of the 10 nation disarmament committee which broke down in June, 1960. A few weeks later Canada and the United States took steps to bring about a meeting of the disarmament commission of the United Nations. That was held, I think, on August 18, 1960, and after some trials and tribulations, a unanimous resolution was put through calling for an immediate resumption of disarmament negotiations.

As we all know, nothing happened, and at the meeting of the general assembly of that fall and at every opportunity at the United Nations since that time Canada has been, I think I can fairly say, taking the lead in demanding that disarmament negotiations be resumed; also that there be added to any disarmament committee representatives of the unaligned nations, and that any such committee should be more closely under the United Nations.

The conference now taking place at Geneva meets all these conditions and for that reason, if for no other—and of course the main reason for our interest is the vital importance of the question of disarmament and of putting an end to the nuclear weapons race—Canada is very pleased that the disarmament conference has been set up in the way in which it has been and with the way the conference is now taking place in Geneva.

One of the main features, of course, is that we now have the two great nuclear powers,

the United States and the Soviet union, negotiating. They are right there, talking to each other, and in addition they are the joint co-chairmen of this conference. That has never been the case before. In the conference on Laos, where the British and Russians were joint co-chairmen, we thought the results of that particular set-up were excellent, and we pressed before the disarmament conference commenced for a similar arrangement at this conference under which the United States and the Soviet union would accept the joint co-chairmanship; because if they do not reach agreement then there is not going to be any agreement reached that is of any value. I think there is great merit in placing the responsibility right on the shoulders of the representatives of these two great nations.

This was agreed to by the other members of the western five. We also placed the suggestion before the Soviet union and the eight non-aligned countries which are participating, and eventually when the conference met agreement was reached that the United States and the Soviet union would accept this responsibility. So there they are, their representatives talking together every day and many times a day; they have to come to terms on procedure and the subjects to be discussed, and I think this is a very sensible arrangement and one which could make all the difference between the success or failure of the conference.

As we all know, there are eight non-aligned countries participating; India and Burma from Asia; Sweden from Europe; the United Arab Republic, Nigeria and Ethiopia from Africa, and Mexico and Brazil from Latin America. These are all countries which have been very much interested in the question of disarmament. Canada's relations with each and every one of them are excellent, and the foreign ministers or heads of delegations of those countries were in Geneva determined to try to bridge the gap between the so-called western and communist nations.

In my judgment these men and women are doing an excellent job. The head of the Swedish delegation now is a woman, Mrs. Myrdal, who is a member of the Swedish senate, and I am awfully glad she is there. I hope she will tell the men to stop arguing and fighting whenever the need for such advice arises. She will be listened to far more than a Canadian man would be, for example, or a man from any other country. I believe these representatives are there in a spirit of dedication to the cause of world peace. The very fact that these eight non-aligned countries are represented is another very hopeful feature of the conference.

So far as the connection with the United Nations is concerned, the conference was set up by a resolution of the United Nations. There is a representative of the secretary general there in addition to other officials, and the conference has to report to the United Nations disarmament commission by June 1. This is another extremely important factor, because in this situation time is of the essence. The conference could easily drag on and on, as earlier disarmament conferences tended to do, but it is faced with a deadline by which an interim report must be made to the United Nations disarmament commission. So in all these three respects the conference meets Canada's wishes.

Now the first stage is over. The conference has been organized in a reasonable way. The main objective, of course, is to work out an agreement on disarmament, a disarmament treaty. This is to be undertaken by the conference meeting in plenary session. It is regarded as the main job. Yesterday, for example, the conference met in plenary session and was working on a draft preamble to a treaty. I am hopeful that before too long it will be possible to reach agreement on a preamble. The Russians have submitted a draft treaty with a preamble and the United States has a draft disarmament program which also contains a preamble. Canada has some ideas about what should be in the preamble as well, and I hope that before too long it will be possible to get a small drafting group to sit down and actually write out the terms of a preamble for such a treaty. Then the aim is to go on section by section and, where a section is difficult and agreement cannot be reached, to set it aside for the time being and deal with other sections on which it is more likely there can be agreement. This was the method followed at the Laos conference with greatest success.

Then in addition—and I think Canada can take some credit for this—there has been set up a committee of the whole on initial or collateral measures. We very soon decided that there were some issues which, although not directly related to disarmament—they would not necessarily be in a disarmament treaty—were nevertheless capable of an agreed solution with the result that tension could be reduced. The viewpoint was generally held that it was worth while trying to reach agreement on some of these collateral measures, and this committee was designed for that purpose.

We were a little afraid there would be delay in actually getting that committee working, although it had been agreed that there would be such a committee. So on Monday there was a debate in plenary session council and we suggested that this committee should get to work. In order to give its members something to work on and also to start the

wheels turning we recommended that the committee should first consider the question of outer space. We submitted a draft declaration in the following terms:

> The governments of Brazil, the People's Republic of Bulgaria, Burma, Canada, the Czechoslovak Socialist Republic, Ethiopia, India, Italy, Mexico, Nigeria, the People's Republic of Poland, the People's Republic of Rumania, Sweden, the Union of Soviet Socialist Republics, the United Arab Republic, the United Kingdom of Great Britain and Northern Ireland, and the United States of America, desiring to facilitate the achievement of an international agreement to ensure that outer space will be used for peaceful purposes only, solemnly declare that henceforth:
>
> (a) the orbiting or stationing in outer space of devices for delivering weapons of mass destruction shall be prohibited;
>
> (b) they will give advance notification of launchings of space vehicles and missiles to the secretary general of the United Nations, and, upon its establishment, to the international disarmament organization.

We believed and still believe that a declaration of that kind would be of great value, and we see no reason why agreement should not be reached on it. I point out that neither side now has weapons of mass destruction in orbit so that a declaration of this type, if adopted, would be before the event. I suggest it is much easier and wiser to have questions of this kind agreed to before there are weapons of mass destruction out in orbit than it would be after such weapons are in orbit. Once they were in outer space it would be a much more difficult task to reach agreement of this kind.

As I have pointed out, we asked that there be a meeting of the committee of the whole on initial collateral measures and that was agreed to. The committee met on Wednesday. Several other countries had suggestions to offer. The communist countries wanted to consider the question of atom free zones, and there were various other suggestions; for example, the question of surprise attack, and preventing wider dissemination of nuclear weapons. Several other points were also raised. In the final analysis it was left to the two co-chairmen to decide what subject would be dealt with first.

The communists took exception to our proposal on outer space being considered first. They said that it should be considered in the main debate on a disarmament treaty and they raised some other technical objections. Our proposal received excellent support from Great Britain, Italy, Mexico, Sweden and India, and I think all the eight non-aligned countries and the United States would like to have this subject discussed; the question remains whether we can succeed in having it discussed first in this special committee. It will be discussed at some time, but I am not sure at what stage that will be.

Another feature of the organization is this. There is a subcommittee on a nuclear test ban set up by the conference comprising the three nuclear powers, the United States, the United Kingdom and the Soviet union. They have been meeting but as yet have reached no agreement. The big obstacle is the question of verification. They are still meeting and may be reporting to the plenary today. We suggested that some of the non-aligned countries be added to the subcommittee of three. That suggestion has not yet been taken up and indeed it may not be, but in any event the non-aligned countries will be drawn into the picture in one way or another.

Arrangements have also been made for informal meetings of the conference, and we have had several already. No record is kept, and there are only three present from each country. You can ask questions, talk across the table and let your hair down to a degree that you cannot in a plenary meeting. This, I believe, is an entirely new feature in disarmament negotiations, and I think a very helpful one.

The atmosphere of the conference to date has been one of moderation. No delegates have made nasty speeches, though some have leaned a bit that way. Generally speaking, however, the statements have been constructive, and I think this is probably one of the outstanding features of the whole conference.

In the early days of the conference general statements were made by representatives of each of the 17 nations. Unfortunately France is not represented, although there is a chair there for her. I believe that the opening statement made by Canada has either been tabled or printed in *Hansard* so I will not go over it today, but our main purpose was to pinpoint subjects on which there was near agreement between the United States and the Soviet union. There are quite a few of these subjects where it would not take a great deal for the two sides to get together. We believe it is of great importance to stress these first, and this is what we will be doing as the conference proceeds.

In addition, of course, there have been many private talks between the different delegations. Mr. Rusk, Mr. Gromyko and Lord Home have had many such talks. Canada has also had many. We discussed the situation with the representatives of each of the other countries attending the conference, and I think these talks are very useful. They afford a foreign minister an opportunity as well to discuss any subject in which another country represented at the conference is involved. Mind you, I think all the foreign ministers have left now, or they will all be gone by tomorrow. They are like a lot of seagulls;

when one goes all the rest go, and you are considered a bit of a scab if you stay around after the rest have gone. I found it safer to go home at that particular stage. However, the Canadian delegation is in exceedingly good hands under Lieutenant General E. L. M. Burns, who in my opinion is the outstanding expert on disarmament in the world today and who certainly has the respect of the members of all the other delegations.

For a couple of days before the conference met and while it was meeting there were discussions on the question of Berlin among the Americans, the Russians and the British. No one could be expected to solve the Berlin question in a matter of two or three days, but because it was not solved in these talks there has been quite a lot of pessimistic reporting, particularly in United States newspapers. They got the talks on Berlin all mixed up with the disarmament conference, and some of them reported right from the start that the disarmament conference was doomed, that it had been a failure before it began and all that sort of nonsense. That was not a very helpful attitude for those who were trying to get some results in the disarmament conference. Before Mr. Rusk left last Tuesday he and Mr. Gromyko issued a joint statement concerning Berlin, in these words:

> In connection with their presence in Geneva to attend the opening sessions of the 18 nation committee on disarmament, the foreign ministers of the U.S.S.R. and the United States have had a series of meetings devoted to a discussion of the German problem and related questions. Their conversations have been both useful and frank, and some progress has been made in clarifying points of agreement and points of difference. They have agreed to resume contact in an appropriate way after reporting to their respective governments and after consultation with their allies.

It is of great significance that these two men, who today carry tremendous loads in world affairs, had the opportunity for over two weeks to meet and consider these issues and discuss them thoroughly. That, I think, has been of great importance. Mr. Rusk said goodbye to Mr. Gromyko at a luncheon I gave, and they parted on the understanding that they would keep in touch with each other.

I become annoyed with this attitude of hopelessness, that nothing can be done, that the world is going to the dogs, that we are all going to be blown up and we might just as well do nothing and get blown up. That does not make much sense to me and I do not think it does to a lot of other people because, for one thing, we do not want to be blown up. I think the leaders of the world today have a responsibility to see that this great tragedy, this tragedy to end all tragedies, does not occur. I cannot promise anything, but I am hopeful and there is no reason why agreement should not be reached fairly quickly on some of the points.

I am prepared to go back to Geneva at any time provided some of the other foreign ministers return, and if progress is made I think there is a possibility that the heads of state will meet. They could then give the conference further impetus and probably reach agreement on subjects on which the foreign ministers and the other delegates have not been able to agree. The conference has begun very well. Canada will be doing her part to see that its deliberations are successful. The cause is a great one, and we are in a good position in the conference. We are on good terms with everybody, and I know I have the support of the house when I say that Canada at least will do her full part to restore sanity in this fear riddled world.

Hon. Paul Martin (Essex East): Mr. Speaker, on the eve of his departure for Geneva I had the pleasure of extending to the hon. gentleman the good wishes of the house. As the first spokesman today for the opposition, I have the pleasure of welcoming him back to the house. The minister seems to have performed a useful service in outlining to his colleagues at the conference of 17 powers the desirability of noting areas of agreement, particularly among the Soviet union, the United States and the United Kingdom. The minister said that one notable achievement seemed to be the possibility of agreement between the Soviet union and other interested powers on a preamble which would be annexed of course, to an agreement on disarmament.

Mr. Green: That would be the first step.

Mr. Martin (Essex East): As a first step. The minister did not say if such an agreement would be less than what was agreed on by the United States and the Soviet union on September 20 last at the United Nations in the document known as "Agreed Principles". It is significant that if this is the measure of achievement, then we have an indication of the very great difficulty of arriving, in the foreseeable future, at a comprehensive agreement on disarmament.

The minister indicated that Canada had placed great stress on a declaration or prohibition against stationing nuclear weapon carriers in space. He did not say, but it has been reported, that such a ban would require an exchange of information on launchings. There would be no inspection services required in the sense in which that term has been used in other contexts in disarmament discussions. This would be by way of a declaration, and this is different, apparently, from what the United States wants, namely

that such a declaration should be transferred into an agreement in the form of a convention or treaty. It has been reported that while the eight unaligned states did support this Canadian position, the United States and the Soviet union did not seem to pay much attention to the suggestion and did not give it anything like the same kind of support.

Mr. Green: That is not an accurate report.

Mr. Martin (Essex East): The minister says that is not an accurate report. It may be that when we discuss his estimates, further details can be given, which are not available under the procedure presently open to us.

The minister also mentioned that there was some hope for a meeting of the heads of states or heads of governments. This was referred to by the Prime Minister some weeks ago when he indicated, as we all understood he would, his desire to go to such a meeting of the heads of state and government of the 18 powers. The minister did not say, however, if such a meeting does eventuate before the conclusion of the present discussions in Geneva, that it would be confined to the three great powers and possibly France, and would not necessarily extend to the heads of government of the remaining countries attending the conference.

Mr. Green: I think it would include them.

Mr. Martin (Essex East): The Secretary of State for External Affairs intervenes to say it would include them all.

Mr. Green: I said I think it would include them all.

Mr. Martin (Essex East): The minister says he thinks it would include them all, but that is not what has been reported. Of course the minister is in a better position to say. This would mean, if there was a meeting of the heads of government, that instead of there being 17 foreign ministers in the guise of seagulls there would also be at least a similar number of prime ministers likewise in the the guise of seagulls, who would be flying from their countries some perhaps during a period of great intensification of activity.

The minister did not say anything about the cessation of tests, a problem which we know engages his interest and attention. The minister said nothing about the determination of the United States, as related yesterday by the President, to resume testing unless an agreement is forthcoming with the Soviet union in Geneva during the next few weeks. The minister is reported, however, as having said outside the conference that Canada's position with regard to tests was unchanged and, of course, that puts Canada in opposition to the position taken by the United States. However, as the minister said in a reported statement this morning, it is up to each country to determine the position which it feels it should take.

We hope to have an opportunity, Mr. Speaker, when the minister's estimates are before us to go into these matters in further detail. I may say to the minister that all members of the house share the view that any effort toward disarmament is one to which we must studiously direct our fullest attention. We are all agreed that we can remove one of the possible sources of war by miscalculation through an agreement on disarmament, in a manner which does not prejudice the security position of this or any other country concerned.

To the extent that my hon. friend, as spokesman for Canada, was able to make a contribution toward this objective, which in the light of existing difficulties seems to be a long way off, he may be assured that the house is with him as are indeed the people of the country, who want to see the elimination of these dangerous and mischievous instruments of war under circumstances that will not prejudice our security.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in view of the fact that we will have an opportunity to discuss external affairs in a few minutes, my comments will be quite brief. However, I must express on behalf of this group a most sincere and warm welcome to the minister on his return. We have followed the course of the conference at Geneva with close interest almost daily, and particularly the minister's efforts at that conference on behalf of peace. We admire his stubborn determination, regardless of the criticism that comes from some quarters, to be undismayed by temporary set-backs. The minister will not mind a sort of personal reference, I am sure, when I say that in the opinion of this group his self effacing, mule-like qualities are of value to Canada at this time and particularly to his office under these trying circumstances.

I was very interested in the minister's report. I have no hesitation in saying it was one of the best, most heartening reports in relation to world conditions we have heard a secretary of state for external affairs give in this house. We were most interested to hear about the arrangements for the appointment of co-chairmen. This is evidently a very worth-while step. I am one of those, and I think the minister would agree with me, who believe it is not always the legalistic approach that gains the objectives; it is getting human beings together across a table. I think the minister has had a good influence in that direction. We were interested also in hearing of the growing influence of the unaligned

countries. I think that is a helpful development and, from our point of view, Canada has taken a very worth-while stand in promoting that development.

I conclude my very brief remarks at this stage, Mr. Speaker, on the work of the conference and the efforts of the minister at the conference, and I have no hesitation in saying that his efforts have been of value in working step by step toward what we all hope for, world peace. His efforts will raise respect for Canada to the highest level all across the world.

GRAIN

WHEAT—ANNOUNCEMENT OF FINAL PAYMENT ON 1960-61 POOL

Hon. Alvin Hamilton (Minister of Agriculture): I have great pleasure in announcing the final payment on wheat for the 1960-61 pool. This final payment is the largest of its kind in the history of the operation of the Canadian wheat board. It would not have been possible without accelerated sales to traditional markets, without sales guaranteed by government credit terms, and without the effect of the recent devaluation of the Canadian dollar.

As the Prime Minister reported on February 2 last, the pool account was closed on February 28, 1962. The final accounting has now been completed. Producers delivered 392.8 million bushels to the 1960-61 pool. The 1960-61 pool closed with a surplus of $165,500,284, including the interim payment of $39,282,601 paid to the producers during November last. The final distribution to producers will therefore amount to $125,088,385, after allowing for the Prairie Farm Assistance Act levy, the cost of issuing final payment cheques and after crediting the account with estimated additional interest earnings.

On producers' deliveries of 392,826,011 bushels, the average final payment is 31.843 cents per bushel. This compares with an average final payment on the 1959-60 pool account of 12.001 cents per bushel. Final payments for the principal grades of wheat delivered to the 1960-61 pool are as follows:

	Final Payment (cents per bushel)
Red spring wheat grades:	
No. 1 Manitoba northern	29.130
No. 2 Manitoba northern	29.924
No. 3 Manitoba northern	32.292
No. 4 Manitoba northern	34.174
No. 5 wheat	44.347
No. 6 wheat	49.450
Feed wheat	53.069
Amber Durum grades:	
No. 1 C.W. amber Durum	41.155
No. 2 C.W. amber Durum	41.966
No. 3 C.W. amber Durum	44.165
Extra No. 4 C.W. amber Durum	47.135
No. 4 C.W. amber Durum	46.465
No. 5 C.W. amber Durum	44.347
No. 6 C.W. amber Durum	49.450

[Mr. Herridge.]

The Canadian wheat board will commence to issue the final payment cheques early in April. I might repeat, Mr. Speaker, that this final payment is the largest of its kind in the history of the operation of the Canadian wheat board. It comes at a time when, due to poor crops in 1961, prairie farm income would ordinarily have been at a very low level. Coupled with the adjustment payment on the 1961-62 pool that will follow in May, it is hoped that the main shock of last year's poor crop may have been met.

Mr. Hazen Argue (Assiniboia): This important announcement by the Minister of Agriculture is another demonstration of the very efficient operation of the Canadian wheat board. Even though hon. members opposite may laugh at this remark—

Mr. Jones: You surely are not laughing.

Mr. Argue: —it is nevertheless correct that the payments announced by the Minister of Agriculture are made possible due to the good work of—

An hon. Member: This government.

Mr. Argue: —the Canadian wheat board, which has been doing this work for so many years. The minister has announced what he described as the largest final payment ever made. However, I wish to point out that there was only one previous interim payment. This is the final payment, but this "largest final payment" is merely bringing the final price, the total price of wheat received by Canadian producers, back to a position comparable to but somewhat below the price received by the producers for wheat during the years following the second world war and, in context with the very severe increases in costs of production since 1945, the farmer still has a long way to go to the price-cost position at that time.

The total payments announced at this time do not mean that the Canadian wheat producer is receiving anything like special treatment. He is getting the world commercial price for wheat, without subsidy by the government, and with the Australian wheat producer he is still receiving the lowest price for wheat in the world. That is one factor that also must be considered.

The final payments on Durum were about what one might have expected, although I thought they might have been a few cents higher—just a few cents higher. As the price of Durum is very high today, I believe that the final price for Durum wheat sold during the present crop year will undoubtedly be considerably more than the total final payment for Durum which the minister has just announced.

The minister's statement once again demonstrates the wisdom of western grain producers in supporting the Canadian wheat board's system of orderly marketing.

Mr. Churchill: Has the hon. member for Essex East been demoted?

Mr. Martin (Essex East): It was an excellent statement.

Mr. Arnold Peters (Timiskaming): On behalf of this party I wish to welcome the statement made by the minister, but I just wonder why there is this difference; that when something satisfactory is being done the government takes credit, but when difficulties arise the wheat board takes the blame.

I believe the wheat board is to be congratulated. The farmers in western Canada have now received their final payments, and we shall study the matter with a view to seeing whether the government has done an efficient job in the trading arrangements it has made. However, we would like to express our appreciation of the fact that Canada has been able to raise its grades of wheat this year. The standards have been increased over those of recent crop production years despite bad weather conditions and poor farming conditions generally.

HOUSE OF COMMONS

PERSONNEL OF SELECT COMMITTEE TO CONSIDER GREATER DISPATCH OF BUSINESS

Mr. John Pallett (Parliamentary Secretary to the Prime Minister) moved:

That the select committee on procedure, appointed on March 26, 1962, be composed of Miss Aitken and Messrs. Balcer, Chown, Churchill, Crestohl, Fulton, Howard, Martineau, McCleave, McGee, McIlraith, Meunier, Pallett, Pickersgill and Ricard.

Motion agreed to.

CANADA GRAIN ACT

AMENDMENTS RESPECTING MUSTARD SEED AND RAPESEED

Hon. Alvin Hamilton (Minister of Agriculture) moved the first reading of Bill No. S-19 (from the Senate), to amend the Canada Grain Act.

Motion agreed to and bill read the first time.

NATIONAL DEFENCE

BOMARC MISSILE—REPORTED STATEMENT BY U.S. CONGRESSMEN

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Minister of National Defence. Has the minister any comment to make on a statement made yesterday by two United States congressmen that the Bomarc cannot provide adequate defence against massive enemy attack?

Mr. Speaker: Order. This question has been asked many times before on orders of the day. Whether or not it has again become urgent because two congressmen have made a statement, I leave to the minister; but in my opinion, on its face the question is one which has been dealt with a number of times, and unless the minister or the hon. member feel that there is something new in the question I suggest that there is nothing much to be added by asking it on the orders of the day.

Mr. Chevrier: Mr. Speaker, may I respectfully suggest to you that it has become urgent because of evidence that was given yesterday before the United States house appropriations committee, part of which evidence was given by the United States defence secretary, Mr. McNamara. These statements by the two congressmen arise out of a discussion that took place at that meeting, and it seemed to me that the matter was of some urgency, having regard to the fact that the Bomarc system is one that has been agreed upon between the two countries. I think the minister should at least comment on it.

Mr. Speaker: I agree that it is a matter of importance, but my problem as your chairman is to decide whether every time there is external comment on a matter of Canadian public policy that has been discussed frequently, this gives it an additional standing and makes it urgent to the point that it should be raised here. I can see that if all these questions were allowed, this period of questioning might be very substantially extended. However, I leave it to the minister to indicate whether he considers that there is something new involved in the question.

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the matter of my commenting on statements made by two congressmen of the United States would be the same as Mr. McNamara in the United States commenting on some of the ill-conceived statements made by the hon. member for Trinity (Mr. Hellyer) and the hon. member for Laurier (Mr. Chevrier) in regard to matters in this country.

Some hon. Members: Oh, oh.

Mr. Chevrier: A supplementary question arising out of what the minister has stated, having regard to the fact that the defence secretary is reported to have made the statement before the house appropriations committee that one of the weaknesses of the

Bomarc system is its dependency on an electronic communications system which, because of the fact that it is above ground, is vulnerable to air attack. It seems to me that is a statement upon which the minister should comment.

Mr. Harkness: As far as I am aware no statement of that kind is reported as having been made except by these two congressmen. All I can say is that the ability of the Bomarc B missile to do its job of intercepting aircraft has been demonstrated in a number of tests which have been highly successful. I think it is a proved weapon, and that is accepted by everybody who is an expert in connection with the matter.

Hon. Paul Hellyer (Trinity): A supplementary question, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Hellyer: In view of the opinion of a United States air force officer that the Bomarc might be 50 to 75 per cent effective, depending on the weight and action of its nuclear warhead, would the minister give the house his opinion of its effectiveness without any warhead?

Mr. Speaker: The hon. member for Skeena.

Mr. Hellyer: Surely we should get some indication from the minister. This squadron is the bulk of the Canadian arsenal in defence, and we have a right to have some opinion from the minister.

Mr. Speaker: Order. The hon. member bases a question upon an assertion in a statement made somewhere else. It is open to the same objection as the original question.

Mr. Fulton: Mr. Speaker, the hon. member talks about warheads being effective. He has not any head at all.

HEALTH AND WELFARE

ADVERSE EFFECTS OF NEW DRUG ON PREGNANT WOMEN

On orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder whether I could direct a question to the Minister of National Health and Welfare. My question is based on an article in this morning's *Globe and Mail* to the effect that a drug called thalidomide contributed to the birth to a Winnipeg woman of a malformed child. The article also states that on March 21 this drug was withdrawn from the Canadian market. My question is, inasmuch as the article indicates that there is still some quantity of the drug in existence, could the minister indicate what steps are being taken, if any, to ensure that no further use is being made of this particular drug?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, with regard to this drug known as thalidomide or kevadon, the new drug submission was cleared on November 22, 1960 and the drug was added to schedule F of the Food and Drugs Act, which meant that it was for prescription sale only. On April 1, 1961 this drug was introduced to the Canadian market after all the usual forms of testing and records had been received and studied, and so on.

On December 1, 1961 the medical representatives of the two companies manufacturing this drug came to Canada to inform us of reports of congenital malformations in newborn infants which had been reported from Germany following the use of thalidomide in pregnant women. The information supplied was statistical in nature, in that the instances of certain malformations in the group of children born to mothers taking the drug were somewhat higher than in a group of children from mothers not taking the drug. A warning letter was sent out to physicians, informing them of this fact, by the two companies concerned on December 4 and 5, 1961.

On March 2, 1962 the department decided that there was now sufficient evidence to warrant a request to the manufacturers that the drug be withdrawn entirely and the manufacturers were so informed on the same day by telephone and letter. A letter was also sent to all physicians on March 5, 1962. Efforts are being made, Mr. Speaker, to make sure that any drug still on the market is picked up.

GRAIN

INQUIRY AS TO COMPLETION OF ACREAGE PAYMENTS

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, may I direct a question to the Minister of Agriculture, but before doing so would Your Honour permit me to extend to the minister on this special day, his birthday, many happy returns—

Some hon. Members: Hear, hear.

Mr. Rapp: —and my best wishes for good health, happiness and a prolonged stay in this house as Minister of Agriculture.

Some hon. Members: Hear, hear.

Mr. Rapp: My question is this. Would the minister be in a position to give the house

information as to whether all the acreage payments have now been made, and the total amount of same?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I would like to thank the hon. member for his very kind personal remarks. I would inform him that all the acreage payments have been made to those who have submitted permit books, but there are still about 500 permit books under review at the present time on which, if they are accepted, payment will have to be made. The total amount of money spent is something over $39 million; I have not the exact figure with me.

INDIAN AFFAIRS

PROPHET RIVER RESERVE, B.C.—REPORTED NEED OF ASSISTANCE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, in the absence of the Minister of Citizenship and Immigration might I direct a question to the Minister of National Health and Welfare and ask the minister whether his parliamentary secretary brought to his attention the plight of certain people on the Prophet river Indian reserve in British Columbia, and whether the minister has any report to make to the house on this matter.

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, my parliamentary secretary did bring this matter to my attention at the first opportunity. I understand that the Indian affairs superintendent of the Fort St. John agency visited the Indian band in question, I would say 10 days ago. At that time everything appeared normal. However, in view of the report in the press I have instructed my officials in British Columbia to make an immediate investigation and let me have a report so that the necessary steps may be taken to meet any emergency.

Mr. Pickersgill: Could I ask the minister a supplementary question. Has the minister seen the reports in the local press about this matter? If he has not I will be very glad to send him the paper.

Mr. Monteith (Perth): No, I have not. I will be very happy to see it.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, perhaps I could add something to the information already given, as Acting Minister of Citizenship and Immigration, and confirm what has been said; that the Indian superintendent at Fort St. John was telephoned yesterday afternoon and he advised that he had visited this group of Indians last week and nobody lacked any food. I might also say that the hon. member for Cariboo (Mr. Henderson) asked me about this matter this morning, and I obtained this information as a result of that request.

The Indian superintendent, however, was instructed to proceed immediately to Prophet river to see whether any special foods were necessary, and if so to have them supplied at once. Furthermore, in view of the seriousness of the charges Mr. Boys, the Indian commissioner in British Columbia, was instructed to proceed as soon as possible to this band of Indians, investigate the charges that had been made and report and take immediately, on the spot, any remedial action that was found to be necessary.

On the basis of the information so far received, it would seem that the charges of neglect which have been made are unfounded, in view of the fact that the Indian superintendent visited the reserve just a week ago and found there was no lack of food. We, of course, cannot control the outbreak of epidemics and this, I think, is the aspect which is being looked into now.

Mr. Pickersgill: Since the acting minister has been good enough to make a statement on this matter I should like to express my appreciation that the department should have acted so promptly, as I would have expected, in this case. I hope that in view of the feeling in the community, which apparently is widespread, there will be a thorough investigation.

WATER RESOURCES

STATEMENT ON EFFORTS TO OVERCOME SEA POLLUTION

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): On Wednesday last the hon. member for Kootenay West inquired as to the efforts that are being made to counter oil pollution from ships in Canadian waters.

As I indicated to him, my department is making every effort to control pollution of waters, and in support of that statement I might point out that the masters of Canadian coastguard vessels are now designated as oil pollution prevention inspectors and may report infractions of the oil pollution prevention regulations and lay an information against any offender. Masters of Department of Fisheries vessels as well as fishery officers are also designated as inspectors.

Steamship inspectors of the Department of Transport are designated as oil pollution prevention officers on the east and west coasts, and on the great lakes and St. Lawrence. R.C.A.F. aircraft report oil slicks on the water, both on the east and west coasts, and also the identity of vessels in the vicinity. During

the coming navigation season on the St. Lawrence it is planned to use one of our helicopters for patrol purposes.

I might add that several successful prosecutions have been made against offenders during the last year.

[*Later:*]

Mr. J. W. Murphy (Lambton West): Mr. Speaker, I should like to direct a question to the Minister of Transport. This matter also concerns the Minister of National Health and Welfare. As I have not given notice of this question, perhaps they would take this question as notice. Could the ministers bring the house up to date on what has been done in the past few months in co-operation with the United States federal government toward the elimination of oil pollution on the great lakes?

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, on a point of order, surely that kind of question has no urgency within the meaning of the rules. The hon. member should put his question on the order paper, as Your Honour has so often directed hon. members on this side who attend the house more frequently.

Mr. Starr: Liberal closure. Shades of 1956.

Mr. Murphy: May I be permitted to make an observation, Mr. Speaker. May I point out to the hon. member who finds it difficult to contain himself, that the navigation season opens immediately and what the governments are endeavouring to do, I think, is to work jointly with the shipping companies to eliminate this evil.

Mr. Balcer: Mr. Speaker, as far as my department is concerned, we are considering this matter very seriously. We consider it extremely urgent. I am pleased to take this question as notice, and I shall report back on Monday.

(Translation):

TRADE

TEXTILES—ACCEPTANCE OF SHIPMENT REFUSED BY U.S.

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to address a question to the Minister of National Revenue. Is it true that Hong Kong representatives are to meet the minister shortly to ask that Canada accept a cargo of textile products which was refused by the United States?

(Text):

Hon. George C. Nowlan (Minister of National Revenue): The short answer to that question is no; there has been no meeting with the minister, and certainly no discussion with respect to the admission of any particular shipload of textiles. I might say, however, that in the course of routine proceedings there was a meeting yesterday of officials of the Department of External Affairs, the Department of Finance, the Department of Trade and Commerce and the Department of National Revenue with representatives from Hong Kong to discuss the operation of the quotas which are presently in existence.

(Translation):

BRIDGES

MONTREAL—INQUIRY AS TO DISCUSSIONS WITH CIVIC REPRESENTATIVES

On the orders of the day:

Mr. H. Pit Lessard (St. Henry): Mr. Speaker, I wish to ask the Minister of Transport a question. Could he tell the house whether the city of Montreal authorities have been invited to take part in the meeting to be held next Tuesday in Montreal to discuss the removal of tolls on the Jacques Cartier, Victoria and Champlain bridges?

Hon. Leon Balcer (Minister of Transport): Yes, Mr. Speaker, I wrote Mayor Drapeau inviting him to send a delegate to that meeting.

(Text):

PUBLIC BUILDINGS

KITCHENER, ONT.—PROVISION OF ARMOURY FACILITIES

On the orders of the day:

Mr. O. W. Weichel (Waterloo North): I should like to ask the Minister of National Defence if progress is being made by his department in securing suitable armoury facilities in the city of Kitchener so that the present military quarters in the old post office building on King street can be removed.

Hon. D. S. Harkness (Minister of National Defence): Yes, progress has been made in that regard. The hon. member was helpful in drawing my attention to a number of properties which have been considered by the army, and we have one of those properties now under consideration which should provide suitable temporary accommodation for the militia units there until it is possible to have an armoury built.

Mr. Martin (Essex East): A political reply.

TRANS-CANADA AIR LINES

INQUIRY AS TO APPLICATION FOR FARE INCREASES

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Minister of Transport.

Can the minister tell the house whether the air transport board pursuant to its powers under the Aeronautics Act has yet made a determination of the application on behalf of Trans-Canada Air Lines for an increase in its rates which, I understand, is effective on April 1? The minister will remember that he seemed to think, first of all, that this matter was one for the determination of T.C.A., but on a later occasion he indicated that it was one for the air transport board, which is why I have put my question in this form.

Hon. Leon Balcer (Minister of Transport): The procedure followed in this case is along the lines I indicated earlier. Like any other carrier which intends to make any change in its rates, T.C.A. must file the new rates proposed with the air transport board. As the hon. gentleman knows, the board has the power to approve or reject those rates or to call an inquiry or public meeting if objections against the proposed rates have been registered.

Mr. Chevrier: Yes, but my question was this. Having regard to the fact that these rates come into operation on April 1, has the board yet made a determination?

Mr. Balcer: The rates have been filed and they are under study by the air transport board at the present time. No further announcement has been made by the board.

EXTERNAL AFFAIRS

EAST BERLIN—DETENTION OF CANADIAN NEWSPAPER CORRESPONDENT

On the orders of the day:

Mr. Speaker: The hon. and patient member for Halifax.

Mr. R. J. McCleave (Halifax): For a moment I was afraid I should have to grow taller so that I could catch Your Honour's eye.

My question is directed to the Prime Minister, and I have given him notice of my intention to ask it. It concerns the detention in East Berlin by the Vopos, the East Berlin police, of Mr. Eric R. Dennis of the London bureau of the Halifax *Chronicle-Herald,* a former member of the parliamentary press gallery here. I would ask the right hon. gentleman if there is any official report on this incident.

Right Hon. J. G. Diefenbaker (Prime Minister): The only information I have on the subject is that which has appeared in the press, a statement on the part of Mr. Dennis which revealed the rather excruciating experience he had of being detained for some 40 minutes and searched, his alleged offence having arisen out of the fact that he was copying an anti-NATO sign on the border between East and West Berlin. I do not know of any complaint which Mr. Dennis made to the Canadian mission. His statement to the press was given from London. We have had no report from our mission in Berlin on the incident, but have communicated with our representative there to secure whatever information is available.

I point out that Mr. Dennis did say that although he was detained in a small area, some four feet square, or something of that kind, he was not submitted to any indignity other than that of being carefully searched from head to foot.

SUMMIT CONFERENCE—POSSIBLE INTERFERENCE WITH CANADIAN EVENTS

On the orders of the day:

Hon. Paul Martin (Essex East): In view of the statement made by the Secretary of State for External Affairs that there may be a summit conference before the end of April—

Mr. Green: I did not say that.

Mr. Martin (Essex East): Well, during the present disarmament discussions, and in view of the fact that this may include not only the heads of government of the three major powers but those of all the other powers attending the Geneva conference, may I ask the Prime Minister if that is something which would in any way interfere with plans he may have with regard to events in Canada?

Right Hon. J. G. Diefenbaker (Prime Minister): In the same spirit may I say that for the past two years the hon. gentleman has been asking for an election.

Mr. Martin (Essex East): Hear, hear.

Mr. Diefenbaker: He is the only one who applauds. The reason, I suspect, is that he hopes he would become leader of the opposition sooner.

But his question is founded on a wrong premise. The Secretary of State for External Affairs did not mention the month of April, though April is a month which is of interest to all of us.

Mr. Martin (Essex East): On a question of privilege, I regret that the Prime Minister should have made the remark he did, but since he has made it let me tell him that his successor will be the present Leader of the Opposition.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I might put a supplementary question to the Prime Minister.

Mr. Martel: How many flags?

Mr. Speaker: I am afraid not. I recognize the hon. member for Maisonneuve-Rosemont.

Mr. Pickersgill: Mr. Speaker, I rise on a point of order. The question I wish to put to the Prime Minister relates to the proceedings of this house, and if I cannot do it in any other way perhaps I could put it as a question of privilege.

Mr. Speaker: If the hon. member has a question of his own it would be quite appropriate for him to ask it when he is recognized, but not as a supplementary to that asked by the hon. member for Essex East.

Mr. Pickersgill: My question is this—

Mr. Campbell (Stormont): You are not recognized. Sit down.

Mr. Pickersgill: Has the Prime Minister given consideration to following the course which his predecessor followed in 1949 and frankly stating to parliament and the country what are the intentions of the government, in a statesmanlike way?

Mr. Hellyer: He would have to know what his intentions are first.

Mr. Diefenbaker: Mr. Speaker, I have been watching with some interest the degree to which the opposition have been filibustering.

Mr. Martin (Essex East): Order.

Mr. Diefenbaker: It just may be necessary to make a very early announcement that will satisfy the hon. member for Bonavista-Twillingate.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): Let us have the announcement right away.

Mr. Chevrier: Give us the date. Let us have it.

Mr. Pigeon: The hon. member for Laurier will not be here.

Mr. Pickersgill: Why wait for spring? Do it now.

SPORTS

MANITOBA—REQUESTED GRANT FOR PHYSICAL FITNESS PROGRAM

On the orders of the day:

Mr. John MacLean (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Inasmuch as the end of the 1961 fiscal year is fast approaching, could the minister advise whether any decision has been made on the request of the province of Manitoba for a grant of $200,000 under the physical fitness and amateur sport program?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I hope to make an announcement on this matter at the very first of next week.

OLYMPIC GAMES—INQUIRY AS TO GRANT TO CALGARY ASSOCIATION

On the orders of the day:

Mr. Arthur Smith (Calgary South): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. I apologize for not being able to give him notice. Is the minister yet in a position to announce that the federal government will give financial support as requested by the Calgary Olympic development association in their attempt to bring the 1968 winter Olympic games to Canada?

Mr. Pickersgill: Is this an urgent question; 1968?

Hon. J. W. Monteith (Minister of National Health and Welfare): Yes Mr. Speaker. I am pleased to announce that a contribution of $35,000 by way of a grant to the Calgary Olympic development association has been authorized.

ADMINISTRATION OF JUSTICE

ORGANIZED CRIME—FEDERAL REPRESENTATION AT MEETINGS OF ONTARIO ROYAL COMMISSION

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I wish to direct a question to the Minister of Justice. Could the minister say whether his department is represented by an observer at the meetings in Toronto of the royal commission on organized crime?

Hon. E. D. Fulton (Minister of Justice): No, Mr. Speaker.

Mr. Deschatelets: A supplementary question, Mr. Speaker. If the Department of Justice is not represented, how does the minister expect to benefit from the important evidence compiled thus far by this inquiry?

Mr. Fulton: Mr. Speaker, the hon. member may not be aware of it but the Minister of Justice can read, and will be able to study the evidence taken.

Mr. Argue: Progress.

Mr. Pickersgill: That is a debatable motion.

Mr. Fulton: I am rather surprised that one coming from the province from which the

hon. member comes should suggest that we should show an anxiety to interfere in an inquiry which is entirely provincial.

Mr. Deschatelets: I am much more surprised at the absence of a federal observer from your department.

Mr. Chevrier: The minister never seems to hesitate about interfering in provincial matters.

Hon. Paul Hellyer (Trinity): A supplementary question, Mr. Speaker. In view of the allegation that the crime syndicates operate on an international as well as an interprovincial basis—

Mr. Fulton: Mr. Speaker, on a point of order—

Mr. Hellyer: —and in view of the responsibility—

Mr. Speaker: Order. The minister raises a point of order. Perhaps the hon. member for Trinity will yield the floor.

Mr. Fulton: I raise the point of order, Mr. Speaker, whether it is proper for hon. gentlemen opposite to be basing questions on the evidence given before a commission of inquiry which is presently under way and entirely provincial.

Mr. Chevrier: Why, then, did you answer the question?

Mr. Fulton: I answered a question only with regard to the absence of a federal observer at the inquiry, not with regard to any evidence given or anything taking place before the commission. I dealt only with the area of responsibility of my department. Again I may say this is an extraordinary question coming from an hon. gentleman from a province that has always taken the position that provincial affairs should not be interfered with.

Mr. Chevrier: You do not hesitate to interfere in other matters.

Mr. Speaker: Order. The fact that the inquiry is taking place would not appear to limit the right of hon. members to ask questions provided the questions relate to the administrative responsibility of the federal minister. I did not fully hear the question, but the hon. member seemed to be making an assertion rather than asking a question. Perhaps if he has a supplementary question he would ask it.

Mr. Hellyer: Yes, Mr. Speaker. The minister in saying what he has said concerning the provincial sphere is merely demonstrating his ignorance of the allegations.

Mr. Speaker: Order. If the hon. member has a supplementary question perhaps he would observe the rules by asking his question.

Mr. Hellyer: Yes, Mr. Speaker. In view of the responsibility of this parliament under the constitution for the criminal law and for the procedures in respect of the criminal law, and in view of the allegations that these syndicates are operating on an international as well as interprovincial basis, does the minister not think he might benefit by having an observer sit in and obtain as much first hand knowledge as possible from the evidence being presented to this royal commission?

Mr. Fulton: Mr. Speaker, if the hon. member cannot distinguish between an inquiry being conducted by a province and an inquiry being conducted by the federal government, I am unable to help him.

Mr. Hellyer: And if the minister cannot distinguish between provincial and federal responsibility he should not be holding his portfolio.

Mr. Fulton: Perhaps my hon. friend will contain himself for a moment. The hon. member for Trinity asks questions about the effectiveness of certain missiles without warheads. I can only say my hon. friend thinks he is pretty effective, yet he does not appear to have anything in his head at all.

Mr. Speaker: Order. Perhaps the minister's response was somewhat in the same category as part of the question, but I should remind him as I reminded the hon. member for Trinity that while the hon. member for Trinity is privileged only to ask a question, the minister is privileged only to answer it.

Mr. Argue: More arrogance.

Mr. Hellyer: Mr. Speaker, I rise on a question of privilege. Coming from anyone other than the Minister of Justice, I would consider that statement an insult, but coming as it does from that hon. gentleman I feel I need not even request that he withdraw.

Mr. Speaker: Order.

THE ROYAL FAMILY

THE QUEEN MOTHER—INQUIRY AS TO CHANGES IN ARRANGEMENTS FOR VISIT

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, I should like to direct a question to the Prime Minister. Can the Prime Minister advise the house whether there have been any changes in the announced arrangements for the visit of the Queen Mother to Canada in June?

Inquiries of the Ministry

Right Hon. J. G. Diefenbaker (Prime Minister): I have no information on that subject, Mr. Speaker. Such plans are made long in advance. However, I know of no changes that have been made. I understand that the hon. member is most interested in that visit and I am sorry that the Queen Mother, according to present plans, is not visiting Niagara Falls. I think some arrangement might be made in that regard, and I would hope that the Queen Mother might decide to go there.

Mr. Martin (Essex East): Now we know when the election will be.

LABOUR CONDITIONS

REQUEST FOR AGENDA OF FORTHCOMING CONFERENCE

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to ask the Minister of Labour a question. Would he indicate to the house, either orally or by tabling the information, the agendas, if any, prepared for the forthcoming labour-management conferences which are being sponsored by his department?

Mr. Speaker: I am not sure when the conference is to take place, but I suggest that the hon. member put his question on the order paper.

HOUSING

N.H.A.—REQUEST FOR FINANCING OF EXISTING HOMES

On the orders of the day:

Hon. J. A. MacLean (Acting Minister of Public Works): Mr. Speaker, yesterday the hon. member for Nipissing asked a question about an article that appeared in the *Financial Post* of March 24. The question of the financing of existing houses under the terms of the National Housing Act has been before the house on a number of occasions. It is a matter for the government to consider and to which the government has given consideration, and when a new policy is determined in this respect it will, of course, be announced in the usual way.

In the article it is suggested by the *Financial Post* that the subject of the financing of existing houses is one that should be examined by the royal commission on banking and finance. That seemed to be the hon. member's point, and this seems to be an obvious thing to suggest.

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

[Miss LaMarsh.]

DEPARTMENT OF FINANCE

Administration of various acts and costs of special functions—

Royal Canadian Mint—

707. Administration, operation and maintenance—further amount required, $42,000.

Mr. Chevrier: Mr. Chairman, when we adjourned last night we were on vote No. 692, and we have now gone beyond the estimates of the Department of External Affairs to item 707, Department of Finance, to which of course I have no objection. However, having regard to what happened last night I think in all fairness, as well as in justice to the request made by the hon. member for Essex East that the estimates of the Department of External Affairs be held up until such time as the minister was here to reply to our questions, I should point out that quite clearly we were entirely within our rights. Not only were we within our rights, but the point we took last night was well taken. I do not wish to get into an argument at this time, but with all respect to those who sit on the other side of the house I say that they should not have raised the objections they did during the whole of the two hours last night, and should not have taken the time and the attitude they took.

I repeat that we have no objection to the procedure suggested now, and having regard to the fact that we understand the minister will be here in due course to carry on the discussion of his estimates there is nothing but commendation on this side of the house in that respect. I understand quite well, too, why the minister cannot be here at this time. He has been on a plane for the last 12 or 15 hours and I am sure he wants to have some rest. We on this side would not want to deny him that privilege so that he can conduct the presentation of his estimates in a more refreshed spirit.

All I want to say is that the whole procedural wrangle which took two hours last night could so easily have been avoided by consenting to the request of the hon. member for Essex East then rather than this morning, and if that had been done last night we would probably be far beyond item 707 now.

Mr. Herridge: Mr. Chairman, just before we get into the meat of these estimates I wish to associate myself and the members of this party with the remarks of the hon. member for Laurier. It is quite obvious that since the parliamentary secretary has had a few hours of quiet meditation he has come to the conclusion that the opposition were correct last night in their representations with respect to the external affairs estimates. We are very pleased that the discussion of these estimates has been postponed. The minister will have

an opportunity to refresh himself after his long journey from Geneva, and will also have an opportunity to prepare a further report to the house and to prepare himself to answer the questions that the official opposition and the effective opposition are anxious to ask on these estimates. Not in many months has the correct approach of the opposition parties been so vindicated as in this instance to which we are now referring.

Item agreed to.

Special payments to provinces—

709. Payments to the government of each province, in respect of income tax collected from corporations whose main business is the distribution to or generation for distribution to the public of electrical energy, gas or steam, of amounts computed in accordance with section 6 of The Tax Rental Agreements Act, 1952, as if the last two lines of subsection (1) of that section read as follows "... ending on the thirty first day of December, one thousand nine hundred and fifty nine"—further amount required, $396,559.

Mr. Chevrier: Mr. Chairman, I think we should have some explanation of this item. It is a substantial sum arising out of the tax rental agreements, and I wonder whether we should not get a detailed explanation.

Mr. Bell (Carleton): There has been a considerable increase in the income tax collected from the utility corporations mentioned in this item. The increase over the preceding year has been from $21 million to $27.5 million, and in order to pay to the provinces their 50 per cent share of the income tax collected from these corporations this additional vote of $396,559 is required.

Mr. Pickersgill: Has the government given any consideration to putting these private utilities on the same basis as public utilities with regard to taxation, in view of the great professions of the hon. gentleman's leader that his government is devoted to private enterprise as opposed to socialism? As the hon. member knows, there is no tax on the Ontario hydro but any private company has to pay tax. I know I am asking about policy and I can guess what the parliamentary secretary will be obliged to say, but would he draw to the attention of his leader and his distinguished minister, who is not with us to give us indications about policy because of his attendance at the court of King Cecil the first—

Mr. Bell (Carleton): We are starting out by getting along very well today.

Mr. Pickersgill: —that here is a chance for them to strike a real blow for private enterprise?

Mr. Bell (Carleton): This is a matter, of course, which is under continuous consideration.

Item agreed to.

Contingencies and miscellaneous—

710. To authorize the treasury board to delete from the accounts certain debts due, and claims by, Her Majesty, each of which is in excess of $1,000, amounting in the aggregate to $3,710,688, $1.

Mr. Chevrier: On this vote, which has to do with claims made on behalf of various departments as outlined in the details, I think the parliamentary secretary should give us some indication of how this list compares with those for the last several years. Are these claims mounting? I think the practice has been for the parliamentary secretary to give some of the larger claims so the committee would get an idea as to why they have been erased from the books of the various departments as not being collectable.

Mr. Bell (Carleton): Mr. Chairman, the practice of the present Minister of Finance has been to lay on the table of the house a statement which gives a summary of the debts presented for deletion from the public accounts by departments. I assume I am not in a position to lay it on the table at the present time, but perhaps it might be indicated that when Mr. Speaker is in the chair this statement, which I have in my hand, will be laid on the table. I would be glad to send to my hon. friend opposite a copy of it now so that he may have the opportunity of examining it.

It is not customary, of course, to give the details of the individuals who are involved, although at any time I will be glad to show to the financial critic of the opposition any of the particular details. It will be observed that the largest item is that of the Department of National Revenue, taxation, where there is a deletion of 391 debts totalling $3,299,627. This amount represents unpaid taxes of defunct corporations without assets. As I glance down the list, it is evident that most of these debts are 10 or 12 years old and every effort has been made by the Department of National Revenue to collect. The corporations are simply out of business, and collection is impossible. I think there are four individual debts where the debtor died leaving no estate or is in poor health with no income other than the old age security pension. There are four individual debts and 387 debts of defunct corporations.

Mr. Chevrier: I asked the parliamentary secretary if he was able to give some further details as compared with previous years. I think it has been the custom in the past for the minister to compare the items that are

being erased or done away with now with previous years, say for a period of five years.

Mr. Bell (Carleton): I am sorry I omitted to mention that, Mr. Chairman. I regret that I do not have under my hand a comparative table for the period of time to which my hon. friend refers. I am advised that the amounts are normal, but I shall undertake to get a comparative table for the period of the last five years and send it to the hon. gentleman.

Mr. Chevrier: I thank the parliamentary secretary. I have one further question in connection with the large amount of $3,299,000 related to national revenue. Is the parliamentary secretary able to say how this particular item compares with former years? It is true that he has said that on the whole the total amount is pretty much the same, but since this item stands out so clearly from the others I wonder whether there is some way of getting from the parliamentary secretary a comparison. Perhaps the official who is with him now could provide the information in respect of other years?

Mr. Bell (Carleton): I am told that there is nothing extraordinary about this amount; that these debts of defunct corporations are under continuous review, and the write-off is approximately the same in each year. I do not have under my hand, nor so far as I know is it immediately available, information relating to the actual figures. I will get this for the hon. gentleman. If I can arrange for an official in the gallery to secure the figures by telephone I will do so while we are still on these estimates. Otherwise I will send them to the hon. gentleman.

Mr. Pickersgill: There is just one question that occurs to me. Perhaps I once knew the answer to the question, but if I did I have forgotten it. What is the reason for not making public the names of these defaulters? After all people who do not pay their debts to the crown are not likely to pay their debts to other people, so it does not seem to me there is any good reason, in the public interest, for being tender with these people.

Mr. Bell (Carleton): I think perhaps it has been a matter of compassion in large measure. The committee, I understand, has never insisted upon it. I have no doubt that if the committee wished to have the information it would be subject to production. However, I should hope that it would not be. There are complex circumstances in respect of some of these cases. In so far as the information being shown to the financial critic of the opposition is concerned, I would be delighted to reveal full details about any particular instance.

[Mr. Chevrier.]

Mr. Pickersgill: There is just one point in connection with what the hon. gentleman says. As he knows, the details of the remuneration of civil servants are available to everybody who does business with them.

Mr. Bell (Carleton): Not now.

Mr. Pickersgill: Well, almost all of them are available. It does seem odd that someone who is presumably conferring a benefit upon the country for which he is getting remuneration should have his private affairs made public, while someone who is not paying his debt to the crown is protected. I do not insist upon disclosure. I was trying to find out whether there was any reason in the public interest, for this lack of disclosure, rather than this private reason of compassion which I can see would arise in some cases.

Mr. Chevrier: May I ask one further question along the lines of the one asked by the hon. member for Bonavista-Twillingate, but having to do with the Department of Transport. I too probably should know the answer, but it has left my mind if I did know it. I refer to the $16,000 relating to the overpayment of allowances where services were performed for the Department of Transport. Without giving the names, of course, can the parliamentary secretary give some indication of how and under what circumstances the overpayment of allowances was made?

Mr. Bell (Carleton): Yes. The debts that are involved here resulted from the overpayment of isolation allowances which the department had made to catering employees at Frobisher Bay from October, 1958 to August, 1960. The isolation posts regulations require that the prevailing rate isolation allowances be reduced by the amount that the rate of pay at the base exceeds the prevailing rate at the point of departure. The Department of Transport did not reduce the isolation allowances to the catering employees.

This situation arose due to a decision by a departmental official to offer employment on a prevailing rate basis to cooks on the understanding that after a reasonable period of probation the employees would be given contract employment with retroactive pay from the date they entered the service. Contract wage rates are higher than prevailing rates, and any overcompensation, therefore, could be recovered in the retroactive salary adjustment under the terms of the contract. The department decided to turn the operation of the mess hall over to an outside interest and the transfer of the prevailing rate cooks to a contract basis was postponed. The district personnel officer at Frobisher should then have recovered the overcompensation and

lowered the pay to the lesser rate, but did not do so on the ground it would have caused mass resignation.

Mr. Pickersgill: Too many cooks spoil the broth.

Mr. Bell (Carleton): Yes. Treasury board, while deprecating the action taken by the official, agreed that the likely cost of recovering the overpayment would be prohibitive, since each of the employees argued that he had agreed to work at a rate of pay offered by the department and since action taken by the personnel officer had resulted, in fact, in a saving of public money almost equal to the amount of overcompensation to the employees concerned, in transportation costs that would inevitably have been incurred had the employees resigned en masse. Therefore they recommended the suspension of the collection action.

Mr. Pickersgill: A clear, brief and lucid comment.

Mr. Regier: May I ask if the parliamentary secretary has a breakdown of the write-offs under the Department of National Revenue, where I notice there are 391 claims totalling $3,299,627. How many of these claims and in what amounts arose under the personal income tax laws, how many arose under corporation income tax laws, and how much has to be written off because of the sales tax?

Mr. Bell (Carleton): I indicated to the committee that there were four debts under the personal income tax act; there were three debtors who died leaving no estate whatsoever, and there was one which represented the unpaid tax of an individual in very poor health, with no assets whatsoever and no income except the old age security. The other 387 represent defunct corporations without assets and, as I indicated, they go back a good many years.

Every possible effort is made in the courts and otherwise to collect, but mostly these are situations where it has become quite evident that a corporation is defunct and has no assets, and it is just a useless bit of bookkeeping in carrying the debt forward on the books of the country.

My hon. friend from Laurier asked about the national revenue claims for the last four to five years. I have been unable to get the figures for the last five years, but I have the figures from last year's supplementary estimates. At that time there were 913 claims representing a total of $3,755,086.90. I shall get the figures for the other years for the hon. gentleman as soon as possible and send them to him.

Mr. Regier: Could the parliamentary secretary say whether the bulk of the debt owed by the defunct corporations comes under corporation income tax, or is it due to their not remitting the 11 per cent sales tax?

Mr. Bell (Carleton): My notes indicate that this is Department of National Revenue, taxation. As I believe this is correct, then of course it would apply to corporation tax and not to the sales tax which comes under the Department of National Revenue, customs and excise.

Item agreed to.

General items of payroll costs including superannuation payments—

711. To supplement other votes, subject to the approval of the treasury board, for the payment of salaries, wages, and other pay list charges—further amount required, $2,500,000.

The Chairman: Shall vote 711 carry?

Mr. Chevrier: This is to supplement other votes, etc. Would the parliamentary secretary give examples of how this $2.5 million is dispersed among the various departments?

Mr. Bell (Carleton): Would the hon. gentleman mind repeating his question? I went one step too far in my book.

Mr. Chevrier: I said this item was to supplement other votes, etc. Would the parliamentary assistant give the house some idea of how the $2.5 million is dispersed among the various departments?

Mr. Bell (Carleton): This is the general salary vote, as the hon. gentleman knows. In summary the requirements are: salary revisions which have already been announced, $1,227,925; other requirements of a normal character at this season of the year, $2,501,-132; and a protection on possible other salary revisions of $750,000. That gives a total figure of $4,499,057. The balance available remaining in the general salaries vote was $1,958,-000 and the additional cash requirement then was $2,520,997, which was rounded out to the figure shown in the estimate.

Mr. Chevrier: Is this one of the estimates which can be considered in the nature of urgent in so far as payment of salaries and wages is concerned?

Mr. Bell (Carleton): Yes, this is one of those.

Mr. Pickersgill: May I ask the parliamentary secretary whether any delay in the passage of this vote, say between now and Monday, is going to affect the actual pay of any person?

Mr. Bell (Carleton): I am glad to be able to say to the hon. gentleman that emergency arrangements have been made by way of

transfers so that all payroll cheques have been or are being issued yesterday and today to civil servants.

Mr. Pickersgill: There was a story to that effect in the Ottawa *Journal*, and I am glad to have the parliamentary secretary confirm it. I commend the treasury on this occasion for doing something which, to that extent, removes from the committee a certain pressure which it would have been very improper to impose on it.

Mr. Bell (Carleton): However, the hon. gentleman will realize it will involve delays in payment of some suppliers' bills, but so far as pay cheques are concerned they have all been issued.

Mr. Pickersgill: The government knows it has a big enough majority that it can get the cheques ready so that all it has to do is post them when the estimates are passed.

Item agreed to.

712. To authorize persons who become employed in the public service as a result of the transfer of administration of the Vancouver airport to the Department of Transport and who, immediately prior to such transfer, were employed by the city of Vancouver, to count as pensionable service under the Public Service Superannuation Act, notwithstanding anything contained therein, their service with the city of Vancouver on the basis that the amount required to be paid by them, in respect of such service, shall be determined, in accordance with regulations to be made by the treasury board, as if an agreement had been entered into with the city of Vancouver pursuant to section 28 of the Public Service Superannuation Act in terms similar to those contained in such agreements that have been entered into with other public service employers, $1.

Mr. Chevrier: I think the parliamentary assistant should first tell us what were the terms under which the Vancouver airport was taken over by the Department of Transport, and also what is included; because I take it this arises out of the transfer. I do not want to read the explanation of the item. There is another question that comes to my mind, but I see it is one o'clock and perhaps we might leave the matter for the moment.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Chevrier: Mr. Chairman, when the committee adjourned for lunch I was asking some questions in connection with the transfer of the Vancouver airport to the Department of Transport. I will not repeat what I asked because I am sure the parliamentary secretary is ready to give a reply. However, there are one or two other questions that arise out of this matter.

During the course of his reply I trust that the parliamentary secretary will be in a position to say whether this agreement has been finalized with the city of Vancouver. I understand that under the municipal bylaws or regulations of that city, any agreement made with a federal department has to be approved of by vote; whether it be in the form of a plebiscite or a vote at a municipal election, I do not recall at the moment.

I would like to know, (1) what is the price of the sale or the transfer; (2) whether it has been approved of by the ratepayers of the city of Vancouver, and (3) whether that agreement is now finalized; in other words, is there a signed agreement which is effective between the department and the city of Vancouver?

Following the answers to those three questions perhaps we can enter into a discussion of this item.

Mr. Bell (Carleton): Mr. Chairman, I had really intended to indicate the purpose of this item in the first instance, which is of course rather different than answering the questions which the hon. gentleman has asked. However, perhaps I might deal directly with the questions he has asked, which really apply to a transport item but I will be very glad to deal with them now.

First as to the price. The price which was agreed upon and appraised was $2,750,000, which was subject to a number of deductions for previous federal grants totalling $216,250, so the net price payable is $2,533,750.

The hon. gentleman is quite right in believing that it is required that there be the approval of the ratepayers of Vancouver, and I am told that this approval has now been given and the takeover date, which has been agreed upon, is the first day of June next. I assume that this is a bylaw approval in the usual way. My hon. friend and I are members of the Ontario bar, and I assume it is an approval of a bylaw in the same way that we would understand. As I say, agreement has been reached for a takeover date of June 1 and I am assured that all preparations to that effect are in progress.

Mr. Chevrier: Has the agreement been signed?

Mr. Bell (Carleton): I am told that it has. I think the hon. gentleman would perhaps like to know what we are endeavouring to do by this item; that is, we are trying to bring the employees of the Vancouver airport into a position equivalent to that of a civil servant. There is no reciprocal agreement in respect of superannuation between the federal

government and the municipality of Vancouver. There are perhaps fewer reciprocal agreements in respect of superannuation matters than there ought to be generally across the country. Personally I would hope that reciprocal agreements might increase in number and give a greater fluidity of movement of public servants as among municipal, provincial and federal authorities.

The vote in this particular is similar to a vote which was adopted in respect of Quebec fishery inspectors when they were transferred, I think in the year 1959. The vote will permit the recognition of the pensionable service of each employee on the same basis and to the same extent as if a reciprocal agreement had been included. Consequently, if the amount transferred in respect of a particular employee is insufficient to purchase the full past service credit, the employee will be permitted to contribute the balance of it and in the net result he will be put in the same position as if he had been a civil servant.

Mr. Chevrier: May I just follow that up. There are two points which come to my mind. The first is this. My hon. friend said that the agreement had been signed between the Department of Transport and the city of Vancouver. Does the agreement cover the persons referred to under item 712 which we are now discussing; in other words, was a provision made in the agreement for taking over these employees as employees of the Department of Transport? Second, was a committee established to determine what benefits would flow to these employees of the municipality of Vancouver by becoming employees of the Department of Transport? I presume that these employees will now be in the same category as, for instance, employees at Dorval airport in Montreal or Malton airport in Toronto of the Department of Transport. I wonder whether the parliamentary secretary would answer those questions.

Mr. Bell (Carleton): Mr. Chairman, to the second question of the hon. gentleman the answer is a simple yes. With regard to the first question, I do not have the agreement in front of me but I am assured that no loss of employment will be involved for any of the existing employees.

Mr. Chevrier: The answer to the second question is yes; that means that a committee was established. That was my second question.

Mr. Bell (Carleton): My understanding of the hon. gentleman's second question was whether they would be put in the same status as public servants elsewhere where the government of Canada had been the owner of the airport for a number of years.

Mr. Chevrier: That answers my third question. The second one was whether a committee of government officials had been established to determine the status and the benefits that these people would receive. Then I ask whether all the employees, prevailing rate employees as well as permanent employees, are covered by this vote.

Mr. Bell (Carleton): My information is that all these persons employed by the government of Canada will be assured of employment at the date of takeover, should they so desire. The question of benefits is not one which can be determined by a committee. They are determined by statutes which have been passed by this parliament—the Civil Service Act and the Public Service Superannuation Act, which we are seeking to apply to these individuals through this vote.

I do not wish to become too particular. The hon. member may perhaps have something specific in mind and he may be asking me to make a public pronouncement on the basis of a somewhat limited knowledge. But, certainly, the intention is to take care of each of these employees exactly as if he or she had been employed at one of the airports which have been under the Department of Transport for a number of years.

Mr. Chevrier: I can assure the hon. gentleman that I had nothing in mind when I raised the question, other than this—and now I have to draw on my memory—that when the Department of Transport telephone and telegraph services in British Columbia were purchased by private enterprise, a committee was established to make sure nobody would be unfairly affected by the transfer from one post to another. That is why I wondered whether a similar committee had been established in this case.

I intended to follow that up by asking two questions, first, how many employees are affected by this transfer, and next, how many chose not to become employees of the Department of Transport, to use the parliamentary secretary's own words, and therefore did not seek to take advantage of this agreement.

Mr. Bell (Carleton): I think the hon. gentleman has asked three questions. First, I believe the position of each of these employees will, in fact, be enhanced rather than otherwise as the result of the provision which parliament is being asked to make here. As to the second question, I am sorry but I do not have before me information as to the actual number of employees, neither do I have information as to the number who may choose to enter the federal service on the date of

takeover. However, I will get that information for the hon. gentleman and try to let him have it before we reach a Department of Transport item.

Item agreed to.

DEPARTMENT OF FISHERIES

Special—

713. Estimated amount required to recoup the lobster trap indemnity account established under vote 540 of the Appropriation Act, No. 5, 1955, to cover the net operating loss in the account as at March 31, 1962, $99,000.

Mr. Pickersgill: Perhaps the parliamentary secretary could tell us how this amount compares with the amount required under this vote last year and, if he has the information, what proportion of the lobster fishermen are covered.

Mr. Bell (Carleton): I can give the hon. gentleman the number of vessels covered but I do not know whether I can give him the proportion covered, by which I assume he means the percentage. I might inform the committee for the benefit of some hon. members who may not be as well informed as the hon. member for Bonavista-Twillingate and I on this subject of lobster trap indemnities that at January 31, 1962, about eight and a half years after the inception of the fishermen's indemnity plan, the excess of cumulative indemnities over premiums in the vessel account stood at $7,875.58. This figure is the result of a cumulative deficit of $17,271.25 as at January 31, 1961, plus an operating surplus of $9,395.67 for the 12 months ended January 31, 1962. An earlier deficit of $30,159 in this account had been recouped through estimates.

In the lobster trap account at January 31, 1962, the excess of indemnities over premiums stood at $79,907.92. Earlier deficits of $378,115.84 in this account had been recouped through estimates, $114,480 of it as recently as in further supplementary estimates (5), 1960-61.

The over-all fund covering both vessel and trap operations has a ceiling of $150,000, and the cumulative deficits of $7,875.58 in vessels and $79,907.92 in traps totalling $87,783.50 leave therefore only $62,216.50 at January 31, 1962 as a working margin against further abnormal losses.

At the end of January 1962 there were 6,010 vessels covered by the plan valued at $19,788,000, an increase of 377 vessels and $2,074,000 during the previous 12 months. The present maximum contingent liability is $13,240,000, an increase of $1,383,000 over the figure of one year ago.

I think that information will, perhaps, give in sufficient detail an answer to what the hon. gentleman has in mind.

[Mr. Bell (Carleton).]

Mr. Pickersgill: It does not really answer my question, very interesting though the information is. All I wanted to find out was what proportion of the total number of lobster fishermen is actually covered. The minister may not have that figure. If the committee might also have the figures broken down as between the provinces, that would be interesting, too. I take it that this figure of $99,000—

Mr. Bell (Carleton): Is the net deficit.

Mr. Pickersgill: It is to meet a deficit but it is money in the bank, so to speak. It is paid out in this fiscal year but it is to meet losses in subsequent years.

Mr. Bell (Carleton): It recoups the fund.

Mr. Pickersgill: That was my understanding. But if the hon. gentleman can tell us what proportion of the total number of lobster fishermen is covered by the fund and how it is distributed between the provinces, I should be grateful.

Mr. Bell (Carleton): I am sorry I do not have those figures in the notes which have been prepared for me in relation to this item, but I shall get the information for the hon. member and give to him at the earliest possible opportunity.

Mr. Howard: I may wish to go further into this question on the lines indicated by the hon. member for Bonavista-Twillingate once the information is available. I am sure it will be readily understandable that there is some concern—a concern which, I gather, has not been communicated to many people in the department—about the position of crab fishermen with regard to this provision for indemnity. The crab fishermen do not fall within the same coverage structure as do lobster fishermen and I gather, from reading *Hansard*, that when the administration of the fisheries indemnity plan was dealt with in 1935 the then minister of fisheries, Mr. Sinclair, said no one on the west coast appeared too concerned about crab trap coverage under the plan. I wonder whether the parliamentary secretary could obtain any information as to the position of crab fishermen with regard to this plan.

My second point is this. I believe it is an awkward way to proceed, by way of a vote of parliament and subsequent statutory coverage, compared with the system of setting up a fund through a separate act.

The Prime Minister was concerned about the former system of appointing parliamentary secretaries and subsequently introduced a system under which parliamentary secretaries are appointed by authority of an act of parliament. In my opinion it would be better to deal with these matters by means of a statute

rather than by means of an estimate with subsequent action by the governor in council to establish regulations.

The system that has been in existence for many years amounts to giving the cabinet a blank cheque to proceed on whatever basis it likes and set up whatever funds it likes under the fisheries indemnities plan. I pass this thought on to the parliamentary secretary to be communicated to the cabinet for consideration.

Mr. Bell (Carleton): I assure the hon. gentleman that note will be taken of his comments.

Item agreed to.

DEPARTMENT OF JUSTICE

714. Departmental administration—further amount required, $75,500.

Mr. Herridge: Mr. Chairman, I wish to bring to the attention of the committee under this item a matter of serious concern to my constituents. I have been asked to raise it by numerous organizations including chambers of commerce, labour, industry, farm institutes, women's institutes and one Anglican bishop in my constituency who has a great sense of social responsibility. I refer to the recent bombings and burnings that have occurred in the district I have the honour to represent. This is a serious problem. These incidents have occurred since 1923 and according to a qualified official of Consolidated Mining and Smelting Company who has kept a record, the loss to date totals more than $17 million as a result of bombings and burnings, the blowing up of railroads and bridges, the destruction of community halls and houses, and so on. That means that to date the loss averages $1,200 a day. In addition there is an average annual expenditure by the provincial government of over $300,000.

In fairness to the greater body of Doukhobors I should explain to the committee the distinction between the main body, the Sons of Freedom and the fanatical sect of the Sons of Freedom. I do this also for the members of the fourth estate, who are gentlemen, and others connected with that vocation. The Doukhobors in the interior of British Columbia number somewhere between 8,000 and 10,000 and are a hard working, law abiding group of citizens. Then we have the Sons of Freedom group which numbers between 2,000 and 2,500. These on the whole are also law abiding but in that group there is an unrepentant fanatical minority. It is difficult to estimate the number in this group but it is possibly somewhere between 200 and 300. It is the fanatical minority that has caused trouble throughout the years. I hope that hon. members of the committee and the gentlemen of the fourth estate in future will not report these incidents as having been caused by the Doukhobors but will refer to them as the fanatical sect of the Sons of Freedom section.

The latest outrage that has caused considerable uproar in my constituency is the bombing of the power pylon—the largest over-water power line in the west—on the west shore of Kootenay lake causing damage estimated at $1 million which resulted in throwing out of employment approximately 1,000 miners and smelter workers and others associated with the mining and lumbering industries. Some may be out of work for several months, but it is hoped that the majority may be given employment as the weeks go by so the loss in terms of wages will be mitigated to some extent. This has caused strong feelings in the district I have the honour to represent together with the hon. member for Kootenay East who, I am certain, is burning to follow me in this debate because we co-operate in doing what we can in these situations.

Before proceeding I wish to compliment the international union of mine, mill and smelter workers and other unions in the district who have met with the employer, Consolidated Mining and various employers in the forest and other industries affected and have done their best to work out staggered hours of employment and rearrangement of activities so the loss will be lessened as far as planning to that extent can lessen it.

I have received wires, letters and resolutions from the Kootenay and boundary citizens committee on Canadian and Doukhobor affairs, from the mayors of municipalities, labour organizations, chambers of commerce, other groups and numerous individuals expressing their concern about this continuing situation and urging that certain steps be taken to remedy it.

First of all they have asked for the maintenance of law and order and requested that more members of the R.C.M.P. be made available in the district. I understand the minister made available additional members of the force from Alberta and to that extent the situation has been remedied. Naturally, those who are proved guilty must be punished and law and order must be maintained.

Second, various mayors and municipalities and other organizations have urged the sending of troops into the district by the Department of National Defence, not to be used against the unfortunate people who are being misled by certain leaders who in the past duped them out of large sums of money, but as a protection to all citizens including members of the Sons of Freedom group against

whom there was a large degree of resentment for a few days, as a protection for property and as a stabilizing influence.

I have raised this question in the house. The Minister of National Defence has taken a somewhat niggling point of view in suggesting that the attorney general should apply to the officer commanding in the area to see whether he can maintain law and order. That is not the purpose of this request. It is possible to have a company there in training available to protect property. That is their opinion. I am not suggesting it is a complete remedy to the situation. The people of the district cannot understand why it is not possible to train a battalion or company in the Kootenays. It is magnificent country for certain types of training such as mountain climbing, skiing, building bridges, swimming, and other water sports, and there are adequate unusual natural obstacles. The people cannot understand the position of the department, especially when they learn that the Department of National Defence is going to send 600 troops to the world's fair at Seattle for a week. Sending troops to the Kootenays will cost the taxpayers of Canada money, and if it is a matter of expense I cannot see the argument because these troops have to be paid and so on. In any event, that is a matter that is being decided between the Minister of National Defence and the attorney general of British Columbia, but I mention it because it has been brought to my attention by these organizations.

I have also had resolutions from various organizations, including the Kootenay and Boundary committee on Canadian and Doukhobor affairs, urging these matters and also suggesting that the losses suffered by corporations and individuals should be shared by the federal and provincial governments. I put that forward as another suggestion to those on the government side of the house who, I trust, are listening to my pleas.

Then there is the question of rehabilitation. A good number of people have written to me urging that consideration be given to the problem of rehabilitation. Mind you, this is the most difficult social problem in Canada related to one particular group. It is of the longest standing and is one of the most difficult ones. I know these people. I have talked to them. In fact, I am getting letters daily from some of them who are in jail. I had two this morning, one from one of the former leaders in which he explains the circumstances. He is not complaining and, as a matter of fact, seems quite happy, but he is giving me his views.

On the whole these are simple people who have been misled throughout the years and who have been bled financially by some leaders. In the past governments have seen fit to pass the buck from one to the other. They have taken a purely legalistic view of the problem. The federal government has said on many occasions that the maintenance of law and order, property and civil rights, etc. are the responsibility of the provincial government.

I am trying to be as brief as possible, Mr. Chairman. I do not want to take the time of the committee unduly but this is a serious problem to the people I have the honour to represent.

It so happens that 10 years ago this month the consultative committee tabled its report on its research into the whole problem and it made some excellent recommendations. At that time the people of the Kootenays looked forward to co-operation between the federal and provincial governments toward a final solution of the problem, but nothing happened. I have some correspondence here. In 1950 the matter was discussed between the attorney general of the province at that time, Mr. G. S. Wismer, and Mr. Stuart Garson who was minister of justice, and the situation is described in the same terms as I am describing it today. But nothing happened.

I also have copies of an exchange of letters in 1953 between the Hon. Stuart S. Garson, Q.C., minister of justice and the Hon. R. W. Bonner, Q.C., attorney general of British Columbia, relating to the British Columbia Doukhobor problem. Once again may I say that I do not like the word "Doukhobor". "Doukhobor" is a Russian word meaning spirit wrestler. The matter should be referred to as the Sons of Freedom problem and I want to impress that on the authorities.

I wish to read briefly from one letter in the correspondence. One would judge that at that time the governments were co-operating very closely to meet the problem. Mr. Bonner wrote to Mr. Garson on May 20, 1953, and I quote part of the letter:

> A complete solution to the problem posed by the Sons of Freedom sect of the Doukhobor community lies beyond the constitutional competence of the provincial government and requires the closest co-operation of the federal and provincial governments which jointly share the sum total of constitutional competence to deal with this problem. We ask, therefore, that the federal government recognize this basic position.

I am asking this federal government to do exactly that. Then Mr. Bonner went on to make several suggestions. I might say that I discussed this problem with Mr. Garson at some length because I have lived with it for over 40 years. Some of these people have worked on my ranch and when they are away from the influence of their community you could not have better or more industrious

workers or more kindly people. I know the whole circumstances. In any event, Mr. Garson to his credit did make an offer of co-operation. He discussed the question of relocation in the Slocan valley, the rebuilding of the communities and so on; but unfortunately Mr. Garson did not get a reply to his letter to the attorney general of British Columbia and the matter was left more or less in the air. Nothing was done. No action was taken in 1950; no action was taken in 1953.

What do I suggest? I suggest in broad outline the recommendations of the consultative committee on Doukhobor and Sons of Freedom affairs which made its report 10 years ago this month. First of all, I urge that the government abandon the strictly legalistic approach to the question and that they approach the government of British Columbia and offer their co-operation. Let them take the initial step and offer their co-operation in any way possible.

I suggest that what is required is a commission that can make a quick report. The basic facts are there. The consultative committee's report was the result of a great deal of research and it is the foundation upon which any later report could be made. First of all, federal-provincial co-operation is required and I suggest that the federal government offer to co-operate. Then a commission is required to make a quick examination of the problem, based on previous material which is available and on interviews with the people of the district. I suggest that the commission go to the Kootenays and meet representatives of the churches, labour, industry, the chambers of commerce and the farmers' and women's institutes. I am sure they will find that the representatives of these organizations and their members are willing to extend their co-operation and accept their responsibilities as organizations and individuals in working toward a solution. I suggest that after that committee reports there should be co-operation between both governments and the recommendations should be given effect as a result of co-operation between the governments, the organs of the people in the district concerned and the people.

I have had a lot of people write me who are most interested and concerned and there are many very capable persons available who could make a great contribution. I had a letter from a very well known bishop in my constituency just two days ago in which he deals with the whole question. He is a retired man of means, a man of outstanding intellect, and he knows these people. There is one man who would be able to serve on the committee and would make a great contribution because of his contacts with the Sons of Freedom, the Doukhobor people and the balance of the community and because of the respect in which he is held by all communities. I am sure there are leading people in all the churches who could make a contribution in that respect. The country is simply alive with talented persons who are willing to do something if there is some mobilization of government forces and of the local people's capacity to meet the problem. I suggest that we should meet it head on.

We hear about immigration. I have a letter here from the Brazilian embassy. Some of the representatives of the Sons of Freedom, who now have written me to say they are in the penitentiary, went to Brazil and made arrangements to buy 5,000 acres of land; but the question of the Brazilian government permitting them to enter the country had to be considered. I received a letter dated March 8 from the chargé d'affaires of the Brazilian embassy which reads as follows:

> In reply to your letter dated March 7 concerning the Doukhobor question, I would like to advise you that the Brazilian government is still studying the request for the group to migrate to Brazil. As soon as I receive any information on this question, I will be very pleased to contact you.

I am not very hopeful in that respect, Mr. Chairman. I am sure that recent events would not cause any country to welcome some of these people with open arms. I think we have to face this question head on. We have other people who are suggesting that these Doukhobors should be sent to other parts of Canada. As soon as you suggest that, the people in the other parts of Canada hold meetings of protest. While we have to punish the guilty and maintain law and order, we have civil rights in this country. I have heard people suggest that the whole group should be moved to some other part of Canada. However, we have a bill of rights and you cannot take a group of people who have not been proven guilty of any crime and move them to another part of Canada. This is against our bill of rights, our democratic principles and so on.

I say to our people in the Kootenays, let us face this question head on. You know, we have thousands of acres of good land there. We have a valley 30 miles long with a paved highway right through it and with electricity to light every farm. We have a large river flowing through this valley. This land would provide the opportunity for resettlement, re-education, vocational training and social rehabilitation. What we require is co-operation between the federal and provincial governments and then co-operation between agencies such as the P.F.R.A., the Veterans Land Act administration, the Farm Credit Corporation and the provincial agencies directly concerned.

I might say that when I discussed this matter with Mr. Garson, he was prepared to recommend to the cabinet that we go along with such a scheme as that, utilizing the P.F.R.A. At that time I suggested these people be resettled, re-educated and sent to vocational training schools. There are some bright aspects of this problem, regardless of this recent catastrophe which resulted in the destruction of this pylon and the damage that flowed therefrom. However, the young Doukhobor women, the Sons of Freedom women, have continued to send their children to school. These are the young women who could have a big influence in the future with regard to the community, and they are the persons with whom our organizations should be dealing. I suggest that having the land, the roads, the power, the public facilities and the capacity in the district, we should mobilize all these forces. I suggest the government could rebuild the jam factory. You know, the finest jam in the country was manufactured by the Doukhobors in this area. Do you know why it was the finest? It was the finest because nothing but plain sugar and the finest fruit were used. There was no jiggery-pokery about it like there is with a lot of monopoly capitalism. This jam was known throughout the whole country and they could not supply the demand. I have been in the factory many times. I think government action through these various agencies could rehabilitate these people. I say let us face it together; let us work at it together and give the local people an opportunity to do something as the result of government action.

In conclusion, Mr. Chairman, may I say that I have tried to be as brief as possible on a question of great importance to my constituents. I do urge this government to offer its co-operation to the provincial government in an effort to find a long term solution to this problem. Let both governments work together with the people of the Kootenays and let us accept this challenge in the spirit that we intend to succeed and end for all time this social disability.

Mr. McFarlane: Mr. Chairman, this is one of the rare occasions in this House of Commons upon which members of opposing political parties join hands for the benefit of the people in general. I certainly agree with many of the remarks that have been made by the hon. member for Kootenay West. During a period of many years—I am going back now about 40 years—we have had similar conditions in the Kootenays but not quite so serious as the recent outbreak. I have had a certain amount of personal contact with many of the Sons of Freedom sect, as we call them, and generally speaking I have found them to be very good people. They have been actively concerned with local civic projects and the average member of the sect has been a credit to the district in which he has lived. Of course, you will find radicals in any organization or in any group of people.

I have also received wires and letters from the chambers of commerce, cities and villages in the area. I will eliminate the women's institutes in the area because I think they have other things to consider. The latest bombing has affected part of my area. Not long ago we had a grain elevator blown up twice and this radical sect also endeavoured to blow up a little church in this area. It was fortunate that the time bomb did not go off. The men who were sent in to defuse the bomb had to be very careful, but they were able to eliminate this danger without too much difficulty. This latest bombing is something that has affected my area. It has thrown a considerable number of men out of work as the result of the closure of the fertilizer plant and the iron plant, which were working to full capacity at this time of the year. Electrical power, which we need in the area, was reduced to the point where it was barely sufficient to carry on the essentials.

Prior to this time, and over a period of 40 years, we have experienced many of these bombings and possibly we have treated them a little too lightly. We have accepted them as a matter of course. It was nothing to pick up the paper in the morning and find that the Sons of Freedom had blown up part of the railway track or a power pole. We did not take the matter too seriously. It was not a major subject of conversation. The situation has reached the point now, Mr. Chairman, where something must be done. We cannot go along living in danger of our power plants being destroyed, our theatres blown up or places of business destroyed with a possible resultant loss of life. Something must be done now.

It has been said that the provincial authorities neglected to request help at the time they should have asked for it. As soon as the extent of this bombing was known, a wire or telephone call from the provincial authorities should have been made requesting the proper assistance. I should like to read from *Hansard*, page 1593, March 8, 1962. A question was asked of the Minister of National Defence, and he replied as follows:

> The responsibility for maintaining law and order in the Kootenays, as indicated by the Minister of Justice, is with the provincial authorities. It would appear to me that until they have exhausted their capabilities in that direction there would be no necessity to call upon the members of the Canadian army to assist them in that regard.

The point I want to bring out, Mr. Chairman, is that the provincial authorities did not accept their responsibility and request assistance from the federal government which, we have been assured, would have been supplied. In closing, Mr. Chairman, I would say that we must have the co-operation of the federal and provincial governments as well as the small municipalities concerned in order to bring this matter to a satisfactory conclusion.

Mr. Roberge: I fully appreciate the contribution made by the hon. member for Kootenay West and the hon. member for Kootenay East on the Doukhobor question. However my purpose in rising is entirely different and I would like to restrict my remarks to the item under discussion.

On studying these estimates, I find that according to page 18 the government is asking for a sum of $5,000 to cover travelling and living expenses for the committee on juvenile delinquency. I do want to deal at length with that item because it was the subject of discussion the other day and was fully ventilated. However the government is asking for a further amount of $75,500; but on examining pages 239 and 240 of the blue book I find these special sub-items dealing with professional and special services, travelling expenses, telephones, telegrams, publications, departmental reports and other matters, amount to a total of $180,000. Therefore this further amount represents over 60 per cent of the original estimate.

To me that is a tremendous amount of money by comparison with the original estimate, and there must be good reasons for it. Offhand I cannot discover any and I wonder is it due to lack of foresight on the part of the department, or what special reasons have brought it about. I ask the parliamentary secretary why these further amounts are required? Is it due to lack of foresight, or what?

I have a special interest in the last amount which deals with publication of departmental reports and other material. The original estimate seeks $2,500 but this last supplementary is asking for $15,700. That is an increase of over 600 per cent. I find it hard to understand and I would like the parliamentary secretary to explain why that amount is required.

(Translation):

Mr. Deschatelets: Mr. Chairman, I should like to say a few words only on this item, following the question I put this morning to the Minister of Justice (Mr. Fulton), on the orders of the day, when I asked him whether the government had sent an observer to the inquiry on organized crime in Ontario.

The minister seemed rather surprised at my question. I must say I was much more surprised at the reply he gave me. The Minister of Justice has taken the ridiculous position that, since it is a case of a provincial inquiry on organized crime, we should keep aloof from it to respect provincial autonomy.

That a minister of justice should take a certain position for sound reasons, that is his own responsibility; but to justify on such childish grounds the absence of a departmental observer in so serious a matter as the royal commission on organized crime in Ontario, I say is inconceivable.

The minister is then of the opinion that organized crime knows frontiers in Canada. Nothing is more contrary to the facts, and all those who have any experience in the matter will find that the argument of the Minister of Justice does not make sense.

Crime, especially organized crime, knows no provincial frontiers, especially when we know that the inquiry on crime in the province of Ontario has been decided on account of the infiltration from the United States.

I submit it was the responsibility of the government, and especially of the Department of Justice, to be represented by an observer.

Mr. Chairman, I shall be very brief. But I do not want to leave on the record the impression which might have been created this morning by the reply given to my question by the Minister of Justice, because, at the time, on the orders of the day, the rules forbade me to do so.

Surely the Minister of Justice is not trying to make us believe that just by reading press reports he will have all the information and that he will be posted on the extent of the activities of organized crime, as uncovered by the inquiry. Coming as it does from people who have so often complained in the past three or four years that they are misquoted by the press, that statement is even more fantastic. Now they are saying: "Well, we will rely on press reports". We know very well that in a matter of this kind, newspaper accounts are necessarily incomplete since the press cannot give all the information an observer would be able to pick up if he were present.

All those who are interested in this matter —and they are much more numerous in Canada than one might think—feel that major amendments should be made to the Criminal Code in that regard. They will deplore not only that there is no observer at the inquiry but especially the apparent lack of interest which the Minister of Justice shows concerning that inquiry.

(Text):

Mr. Bell (Carleton): I have just two or three comments to make. Naturally all of us were interested in the remarks of the hon. member for Kootenay West and the hon. member for Kootenay East in respect of the very difficult problem which exists in their area. Of course it is not a new problem. I well remember sitting as an observer in the gallery listening to a man who was a dear old friend of mine, Billy Esling, then member for Kootenay West describing the situation as it existed long years ago. Most regrettably it has not been possible to solve the problem that has existed since these people emigrated to Canada.

The remarks made by the two hon. gentlemen will be carefully noted, but I may say that the same representations made to them by public bodies have also been made directly to the Minister of Justice and the government generally. I can tell them the government remains ready, willing and anxious to cooperate with the provincial government of British Columbia and the local bodies in bringing a sane and rational solution to what is a really difficult problem.

The hon. gentleman from Megantic asked a number of questions in respect of this particular item. From the details given he will observe that professional and special services have increased, principally due to an unusual number of prosecutions of counterfeit cases in the province of Quebec.

Travelling expenses have also increased and this has been due to a need for travel which was not contemplated at the time. I may give an example of one of the items before me. It relates to the travelling expenses of an officer of the department while attending a United Nations consultative group on the prevention of crime and the treatment of offenders, which met in Geneva, Switzerland. The hon. gentleman himself mentioned the item of $5,000 which applies to the special departmental committee on juvenile delinquency which the Minister of Justice has established.

The item for telephone and telegraphs was underestimated having regard to last year's full expenditure for this item, which was in fact $18,359. This undoubtedly was an underestimation having regard to previous experience.

In the matter of the publication of departmental reports and other material, the department, as I think the hon. gentleman knows, has found it desirable to publish four pamphlets which outline and cover the various functions of the Department of Justice. I am sure these pamphlets will be useful and that they will meet with the approval of the hon. gentleman.

The hon. member for Maisonneuve-Rosemont has raised again the question which he raised earlier in the day. As to the matters which were then in issue between himself and the Minister of Justice, I do not seek to intervene. I can assure the hon. gentleman that all aspects of any evidence which may be presented to any commission which relates to the enforcement of law under the jurisdiction of the federal government will be most carefully considered by the Minister of Justice and by the officials of the Department of Justice.

With regard to the question of the correct technique, the hon. gentleman appears to believe that it is wise for counsel on behalf of the dominion government to appear before provincial royal commissions. If that is his opinion, as I think it is, he is entitled to it. However, I suggest there are other techniques whereby the same objective can be achieved without an intervention on the part of the federal government in royal commissions which may be appointed by the provinces. I am sure the hon. gentleman and the Minister of Justice will have another occasion on which they can discuss this matter, and in such argument as they may put forward I would not seek to intervene.

The Chairman: Shall the item carry?

Mr. Deschatelets: Mr. Chairman, I would not like this item to be carried without reminding the parliamentary secretary that I did not mention or suggest any intervention; I just suggested that an observer should go there and report to the Minister of Justice here. Also, the minister in his reply this morning made it very clear that his only interest in this matter is in the reading of papers. I have no doubt whatsoever that the minister is able to read. Has he got time to read fully? I do not know. Do these newspaper reports cover all the field of the inquiry? I am sure that this question is answered in the negative. Therefore the answer just given by the parliamentary secretary does not meet the point I made; but I am very hopeful that one of these days the Minister of Justice will be able to answer adequately the suggestion I have made.

Mr. Bell (Carleton): Mr. Chairman, of course the hon. gentleman appreciates that the enforcement of the Criminal Code is under the jurisdiction of the provincial attorneys general. I believe that the provincial attorneys general will do their duty in the enforcement of the code. If there should come

to the attention, through reading, listening or otherwise, anything wherein the Department of Justice can help in the proper enforcement of the law, my hon. friend can be assured that it will be done.

Mr. Pickersgill: Mr. Chairman, I would like to say just a word. I am really rising to say a word about what was said by the two hon. members from Kootenay, and it will be a very brief one I assure the parliamentary secretary.

Before doing that, in view of what has just been said I must say that the attitude of the Minister of Justice this morning and the parliamentary secretary this afternoon is very astonishing to me. That having an observer at a provincial royal commission should be an intervention in provincial affairs is certainly a new and strange doctrine in this country. After all, hon. gentlemen were just recently criticizing the premier and provincial treasurer of British Columbia because he did not appear before a federal royal commission on banking and commerce, which is exclusively under federal jurisdiction; and this government recently called a conference on a matter that is of purely provincial concern and took great exception because the premier of Quebec did not send a representative to it. In the light of those precedents—and I could mention a good many others—it does seem to me an attitude on the part of the government of straining at a gnat after it had swallowed, as the little girl once said, a saw mill.

It is not that about which I rose to speak, but I just could not resist saying a word about how really silly the Minister of Justice had been this morning. I do not blame the parliamentary secretary; he just had to repeat what the minister had said, because that is party solidarity. The parliamentary secretary would not have made such a ridiculous observation on his own. But I did rise to say just one word on and join with the hon. member for Kootenay West in the plea that everybody who refers to this unhappy and regrettable problem in the Kootenays should make a clear distinction between those people who are involved and the great body of Doukhobors who are descendants of the people who came to Canada in 1898, most of whom are just as good, law-abiding citizens of Canada as any other citizens of Canada and whose feelings must be injured every time these loose references are made. I do not criticize people too much for making them because most people are not as familiar with the problem as are the hon. gentlemen who spoke about it. Most people are not familiar enough with the problem to make that kind of distinction, but as it has been brought to our attention I think it would be very desirable that we should make this distinction.

I also feel, like the hon. member for Kootenay West, that it is rather unfortunate—and I do not want to be unnecessarily critical about this—that the rather narrow and legalistic view was taken by the Minister of National Defence and the Minister of Justice regarding the request of the attorney general and the premier of British Columbia. I have not any great admiration for the government of British Columbia, any more than has any other hon. member of this house that I know of, but I do think that the suggestion made by Mr. Bonner in this instance was a very sensible one indeed.

When you think of the tremendous amount of money we are spending on defence in this country it does seem to me that to have a small group of troops engaged in that area in some useful exercise might have had the very salutary moral effect that Mr. Bonner was hoping it might have, without having the invidious suggestion the troops were called in because the police could not do their job. I think it would have been the part of statesmanship on the part of the government of Canada to accept that suggestion in the broad spirit in which it was made and I rather regret what I think was a rather hasty and snap judgment.

I do not blame the federal government very much for being rather touchy and irritable about the government of British Columbia; heaven knows they have had to endure an awful lot of humiliation of one kind and another from them, including the absence of the Minister of Finance at the present time. Notwithstanding that fact, even the attorney general of British Columbia can occasionally be right about something, and in this instance it seems to me that he was right and was taking a broad view of this matter, and it is rather unfortunate that the government of Canada did not join with him in taking that view.

Mr. Bell (Carleton): Mr. Chairman, I only want to make one comment. If I thought that anyone in the committee would take seriously the use of the word "silly" in relation to any comment which has been made by the Minister of Justice, I would intervene further in the debate. The reason why I refrain from doing so is obvious.

Mr. Pickersgill: Mr. Chairman, the parliamentary secretary speaks for himself. The Minister of Justice, like the rest of us, is quite capable of being silly at times, and quite often more silly than some of the rest of us.

Item agreed to.

Northwest Territories—

715. Administration of justice in the Northwest Territories, including the Northwest Territories territorial court—further amount required, $47,000.

(Translation):

Mr. Roberge: Mr. Chairman, concerning this item, I should like to ask about the same questions I asked earlier in respect to the previous supplementary estimate.

Could the parliamentary secretary tell us why this item is almost 50 per cent higher than the item in the main estimates? In addition, could he tell us if it was possible to foresee that such a high additional amount would be required?

(Text):

Mr. Bell (Carleton): Yes, the first item, as the hon. gentleman from Megantic realizes, involves legal fees, court costs and payment for the maintenance of prisoners and juvenile delinquents in the Northwest Territories. An amount of $65,000 was included in the main estimates for these purposes and an additional $35,000 is required. The allotment was underestimated, as expenditure for the year ended 1961 amounted to $88,996. Expenses to February 28, 1962, total $92,070. As the hon. member, with his career at the bar, knows, it is a difficult matter to estimate from one year to the other what costs may be incurred in court fees and the maintenance of prisoners. There was an additional amount in respect of travelling expenses to members of the territorial court and the court staff while the court was on circuit. Much of this travelling was done by chartered aircraft and involved distances between places such as Yellowknife and Frobisher Bay and intermediate points. There was an underestimation of the amount required.

Item agreed to.

Yukon Territory—

716. Administation of justice in the Yukon Territory, including the Yukon territorial court—further amount required, $41,000.

Mr. Roberge: This item has to do with the Bankruptcy Act. Before I continue I should like to put a formal question to the parliamentary secretary. Does he know when the bill to amend the Bankruptcy Act will be introduced in the house? Will it be before dissolution? In the further supplementary last year, the parliamentary secretary may remember there was an amount of $52,000, I believe, having to do with special inquiries in relation to the provisions of the Bankruptcy Act, in the Montreal district particularly. These inquiries concerned trustees and I suppose this item represents an additional amount to cover expenditure of this kind.

Mr. Bell (Carleton): It is seldom that the hon. gentleman asks a loaded question, but his first question was definitely a loaded one and I think he will forgive me if I do not reply to it, except to say that I am not in a position to inform the committee when a revised and consolidated Bankruptcy Act may be presented to parliament.

The hon. member is quite right with respect to the second matter he raised. This is the result of investigations into the administration of bankruptcy trustees in the province of Quebec and also in the province of Ontario. This investigation has resulted in the cancellation of the licences of several trustees and in some cases criminal prosecutions have been instituted. In dealing with this situation it has been found necessary to obtain legal advice, retain the services of the solicitors and so on. Accountants have been required to audit the books and to testify in the courts when necessary. With the authority of treasury board, the superintendent of bankruptcy entered into an arrangement to subsidize the work of a trustee in bankruptcy in Montreal to enable him to take over approximately 280 estates which were previously being handled by two trustees whose licences were cancelled.

Mr. Roberge: I wish to thank the parliamentary secretary for that information. I am sure the trustee in Montreal, whom I know personally, will be able to handle those cases effectively.

I realize my first question was loaded but I refrained from putting it to the Minister of Justice earlier this afternoon on the orders of the day because I thought I would have the opportunity to ask the question on these estimates. However, I suppose I shall have to ask the question on the orders of the day on some other occasion.

Mr. Herridge: I wish briefly to comment on this item. I must say we had hoped that the government would have introduced amendments to the Bankruptcy Act before this because the need is obvious and urgent from my point of view and from the point of view of a good many of the people I represent.

We have had citizens and companies from the United States coming into the district—I can speak of one man, and I can mention his name, because he is a rogue, a man named Pidge. He comes in and fleeces people of half a million dollars and then goes bankrupt. He does not pay wages; he does not pay for supplies; he does not pay income tax; he does not pay provincial taxes; he does not pay unemployment insurance contributions and he does not pay workmen's compensation. He goes bankrupt and clears off, leaving the employees and the tradesmen holding the bag.

There should be a strengthening of our bankruptcy laws to avoid any repetition of conduct of this kind.

Recently I heard that this bloke was coming back. I went to our immigration officer and said: "Do you have to let that bird into the country again?" He said: "Mr. Herridge, if he comes to the border and asks for admission I shall have to admit him. We all know he is a swindler but he has committed no crime in the ordinary sense of the word; he went bankrupt in the usual way and he can come back into the country." This kind of thing is happening all over the interior. There have been numerous instances, one just over three months ago. I hope there will be amendments to the Bankruptcy Act and to the Immigration Act which will net these birds before they come into our country.

Mr. Bell (Carleton): Without necessarily agreeing with the hon. gentleman as to his assessment of any particular individual, of whom I know nothing, I should like to say that the comments which he has made on this and earlier occasions have been duly noted.

Mr. Roberge: I see the Minister of Justice is now in his place. I am glad to have an opportunity to ask him the question which I put earlier to the parliamentary secretary. Is the minister able to tell us when he expects to bring down a bill to amend the Bankruptcy Act?

Mr. Fulton: I think the principle is well established that questions of this sort are not in order on supplementary estimates and that if asked they are not answered.

Item agreed to.

LEGISLATION

House of Commons—

721. Canada's share of the expenses of the commonwealth parliamentary association including subscriptions to publications of the association—further amount required, $1,000.

722. General Administration—estimates of the Clerk—further amount required, $148,000.

Mr. Chevrier: Would the parliamentary secretary explain to the committee the nature of these two items? Perhaps he would deal with the first one. Is it an annual expenditure?

Mr. Bell (Carleton): Yes. There is, of course, an annual expenditure for the commonwealth parliamentary association and the assessment made upon the parliament of Canada by the commonwealth parliamentary association was £6,490. When the estimates were being prepared in September, 1960, this was calculated at the rate of $2.75 to the pound but it was paid at the rate of $2.90. That is the explanation of the first item. Perhaps the hon. gentleman would like me to deal with the next item at the same time.

It arises solely out of the rather lengthier sessions which we have had than has been the practice in the past. The cost of publishing our debates has risen by an amount of $105,000. When hon. members see the bound volumes of the last session of parliament they will not be at all surprised. Our friends of the *Hansard* staff will know very well why the additional amount is required here because of the longer hours of duty which they have had to put in. In the printing of other publications $23,000 additional is required. I have a breakdown of the amount for each of the divisions of the House of Commons; but basically it is simply a matter that parliament is sitting for a longer period of time and perhaps we are working harder.

Mr. Herridge: Mr. Chairman, on behalf of this group I wish to take advantage of the opportunity afforded by this item—

Mr. McGee: What group is that? Look behind you.

Mr. Herridge: The unseen hosts surround me. I wish to take the last opportunity of this session to express our appreciation of the good work our Speaker has done, and his courtesy, and to express appreciation of the splendid services of Mr. Deputy Speaker and the Deputy Chairman of committees, and the house staff, the Clerk, the Clerk Assistant—I consider them the rubies surrounding the Speaker's crown, as it were—and the reporters and the *Hansard* angels. I include also the protective staff which is the nearest thing we have to a metropolitan police force in Canada—magnificent physical specimens, good looking, courteous, well informed and efficient—and the messengers and the elevator operators who provide valuable service every day, and even the cleaning ladies. Without these services we could not carry on the work of parliament and I think we as members of parliament should recognize this and express our appreciation.

I have had an idea in mind for some time. I think we in a fitting way should do something so that the lady members of the house will go down in posterity and be remembered far into the future. I got an inspiration the other day I wish to share with the committee. A creative member of the staff of the parliamentary restaurant has come up with an exciting creation called cream of chicken soup Judy. I feel this is one way in which we as members of parliament may ensure that the hon. ladies among us will be remembered for all time. If we could name dishes for them in the parliamentary restaurant their names

would go down in history. For instance, we could have haggis Margaret Macdonald and Jean's angel cake and Margaret's Formosa chow chow. But the women who are elevated to cabinet rank should receive special attention and I would suggest that the breakfast menu be left for them. What better way to recognize the splendid contribution the Minister of Citizenship and Immigration has made to the development of the country than by having our breakfast menu headed in the future, "start the day with Ellen's mess of pottage". I just put this suggestion forward as a suitable way of commemorating our lady members, and although the suggestion is rather novel I trust it will commend itself to all hon. members.

Item agreed to.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

A—Department—

General—

723. Polar continental shelf project—further amount required, $103,565.

Mr. Chevrier: Mr. Chairman, I think the parliamentary secretary should tell us who now has the contract for the helicopter work on the polar continental shelf, whether or not this contract was obtained by tender or by submitting tariffs to the board of transport commissioners, what the amount of the contract is and what is the total amount that it is expected will be expended on the polar continental shelf for this purpose.

Mr. Bell (Carleton): Perhaps I might give the committee an indication of the nature of this item. This supplementary estimate, as the committee sees, is for $103,565. It is to provide for expenses arising out of the planned field program for 1962 and as my hon. friend well knows, because of climate, the program must commence in March of each year. In viewing the main estimates for 1961-62 the decrease in the vote of $100,000 was made on the understanding that the board might be prepared to approve a supplementary estimate should it be impossible because of the reduction to maintain the planned program. This is what has happened and it has been necessary, really, to reinstate the amount.

My hon. friend asks me the name of the present contractor. In respect of this I am advised that there is no general contract. There may be some subordinate contracts. This is a field program. I am sorry that that is all the information which I am in a position to give the hon. gentleman at the moment. I shall try to obtain some additional information.

Mr. Chevrier: Having listened carefully to what the parliamentary secretary said, in the breakdown of the vote it is quite clear this has to do with the contract work in the polar continental shelf and since it has to do particularly with the planned field program which cannot be carried out unless there is helicopter service, I think the committee is entitled to know who the contractor is.

I understand that pursuant to the practice that has been adopted since this government has been in office a contract has been awarded—this I saw in the press—for the polar continental shelf fairly recently. This is for helicopter services. I think the committee is entitled to know who the contractor is, the amount of the contract and how it was awarded.

Mr. Bell (Carleton): I am advised that no contract has been let in respect of this.

Mr. Chevrier: Can the parliamentary secretary tell me who held the contract last year for helicopter services in the polar continental shelf?

Mr. Bell (Carleton): Yes. They were friends of the hon. gentleman, Autair.

Mr. Chevrier: Yes. I thank the parliamentary secretary very much for that information and for the adjective he used in describing my relationship with the company. Do I take it that this answer means that Autair Helicopter Services now have the contract for the 1962 services provided on the shelf only?

Mr. Bell (Carleton): I am informed that a letter of intent has been issued covering the services of Autair from March, 1962, until approximately August, 1962.

Mr. Chevrier: For how much?

Mr. Bell (Carleton): Approximately $275,000.

Mr. Chevrier: Does that cover the period for the whole services to be performed on the continental shelf?

Mr. Bell (Carleton): Yes.

Mr. Chevrier: Could the parliamentary secretary tell me how the letter of intent was given? Was it given pursuant to a demand for tenders in the usual way?

Mr. Bell (Carleton): My information is that the normal action is to ask certain companies, certified by the air transport board as being competent in this field, for tenders of services. In this particular case all the major companies were asked to indicate their tenders of services. That having been done, an assessment is made in the department of the total cost likely to be encountered by the government. The hon. gentleman will know, of course, that with this vast area to be covered

the location of the helicopters is very important and that there are many complex factors to be considered. On the basis of the assessment which was made of economy and efficiency, the letter of intent of which I have spoken earlier was issued.

Mr. Chevrier: Could I obtain from the parliamentary assistant what other contracts this company received in the past? For instance, my hon. friend has told me that for the period March, 1962 to August, 1962, a letter of intent has gone out for a contract covering services in the amount of $275,000. What was the period in the year 1961 and what was the amount? What was the period in the year 1960 and what was the amount?

Mr. Bell (Carleton): The hon. member will appreciate that the figures I am about to give are approximate only. In 1961 the amount was approximately $231,000 covering a period extending roughly from March to August, and in 1960 the amount was $170,000 for approximately the same period.

Mr. Chevrier: I have just totalled these amounts and if the amounts given by the parliamentary secretary are correct the total is $676,000, close to $700,000. I take it that covers all of the contracts that have been awarded to this company. There are none prior to 1960, are there?

Mr. Bell (Carleton): That covers all of them for this project.

Mr. Chevrier: The question that comes to my mind at once is this. A moment ago the parliamentary secretary stated what the normal action was in the tendering of these services. Does it appear normal to him that it is always the same company that obtains the work notwithstanding the fact that all companies have been asked to tender in connection therewith? Has the parliamentary secretary any comment on that point?

Mr. Bell (Carleton): The only comment I would make is that location is a very big factor in relation to this matter, and it is my understanding that the department has been satisfied generally with the services that have been rendered. There are two aircraft positions in Resolute bay which constitute a very important factor and perhaps a capacity to give expeditious and efficient service in relation to the project.

The fact that this company possibly does not commend itself entirely to some members of the house does not necessarily indicate that it has not done an efficient and competent job in the work that has been undertaken.

Mr. Chevrier: On that point may I say that I had not entered into that argument at all. However, the parliamentary secretary has brought it up and I would remind him that when the company applied to the air transport board for a licence the board turned it down and decided against it in a formal judgment. It was only on appeal to the minister that the decision of the air transport board was reversed. I mention that only because the parliamentary secretary brought up the matter.

The point in which I am interested is the manner in which these submissions are obtained. Because of the method by which this is being done I am not satisfied in my own mind that the companies to whom offers of submission are sent are given a fair opportunity to submit a price that is acceptable to the department, and I would remind the parliamentary secretary that though there are not many there are certainly several helicopter companies in our country that can do this work efficiently. These companies have done similar work before elsewhere, have done it before on the polar continental shelf and are equipped so to do. What I am saying is that if the submission is one which asks the various companies to submit tenders, and they do, and an assessment is made by the departmental officials of what the costs are likely to be in the manner in which the former minister of mines and technical surveys made it, then, as I stated in the house before, that is not the acceptance of a tender. It is simply handing out a contract to one rather than another helicopter company. Along that line I would ask the parliamentary secretary to inform the committee as to the date of the letter of intent which gave this company the contract for the March-August, 1962 period.

Mr. Bell (Carleton): March 2, 1962.

Mr. Pickersgill: Mr. Chairman, I should like to make a few observations about this matter, and since this is precisely the same item as we had in supplementary estimates No. 3 I would draw the parliamentary secretary's attention to what was said by the minister, whose absence at the moment is conspicuous, about this very matter. As found on page 2028 of *Hansard* for March 21, I asked the minister whether this company had a contract and this was his reply:

> The only thing I can say is that I have no information that it has anything to do with the $16,400 mentioned in this item.

That is no doubt correct or probably correct.

Mr. Bell (Carleton): That is correct.

Mr. Pickersgill: I am not questioning that particular statement. Then I said:

> The minister surely knows whether they have a contract. They might carry the materials to build this building. They might have something to do with it. Can the minister say whether they have a contract at the present time?

Mr. Flynn: Do you mean in a field other than the one governed by this item?

Mr. Pickersgill: In the continental shelf program.

Mr. Flynn: I do not know. I would have to check. I am not in a position to give an answer now. I think this question was fully discussed last year. Perhaps a rereading of *Hansard* when the main estimates were discussed would provide an answer.

The minister told us this letter went on March 2. As the parliamentary secretary knows, the Minister of Mines and Technical Surveys was the product of that great cabinet reshuffle, that took place on December 29. He had been in the department for two months and he had been in the house, as his answer here indicates, during the previous debate that had taken place in connection with Autair. He knew that this was not a routine matter or he ought to have known it. I wish the minister were here because I am not seeking to use, in his absence, extreme language. It does seem to me that for the minister to say on March 21, having given a letter of intent on March 2, when he is asked whether or not these people have a contract—I am sure that the parliamentary secretary would not want to quibble about the difference between a letter of intent and a contract or indulge in that kind of sophistry—

Mr. Bell (Carleton): I would not agree that was sophistry.

Mr. Pickersgill: The minister says:

I do not know. I would have to check. I am not in a position to give an answer now.

He either did know or he did not. If he wanted to say that a letter of intent was not a contract, he should have said, no, they have not a contract. This would have been a misleading answer, but literally a correct one. On the other hand, he could have said, yes, they have what is in effect a contract; they have a letter of intent. We know from experience with this company that if they get a letter of intent it is not revoked. This has not been the experience of some other companies in this field who have sought to get business from this government.

It seems to me, sir, that is a shocking thing for the Minister of Mines and Technical Surveys to have done on supplementary estimates No. 3. He ought to be here now to explain these estimates to the committee. Certainly, this company, with its very questionable past, this company that was rejected by an independent tribunal set up to consider the matter, as my hon. friend has just pointed out, should not be preferred over all others. Then, the minister sought by a statement that is a good deal less than frank to give the impression that nothing had been done about this company. If you go on, sir, to read the next few exchanges, you will see that is what he did. He said:

Perhaps a rereading of *Hansard* when the main estimates were discussed would provide an answer.

At that point I said:

That might well be. But before the item passes—I do not want to delay it—may I express the hope, since we have a new minister, that the new minister is not as much associated with the past as some other ministers may have been. If he has any contracts to let for air services to the north may we hope that proper, competitive tenders will be called and that all competing companies will be allowed to compete for the business.

Here is the minister's reply:

I will give an assurance to the hon. member that my department will always proceed in this respect on the basis most economic for the department. But I am sure he will not quarrel with me if I do not go further at this time, because the whole system of asking for tenders in this field is not as simple as in other departments.

I think that my retort to that is rather eloquent:

We have found that out already.

I say this is an outrageous way for a suppliant government to be treating the committee of supply. The minister is not doing the job in his department; if he let the deputy or someone else give this letter of intent without telling him about it, he does not deserve to be minister. If he knew of that letter of intent and did not tell the committee about it in the face of these questions, it seems to me that he does not deserve the confidence of the house. It is conduct that is not becoming a member of the ministry.

Mr. Bell (Carleton): The hon. member has used extravagant language—

Mr. Pickersgill: Quite the contrary.

Mr. Bell (Carleton): —in relation to this, and I think when he has time to consider he may perhaps wish to modify it somewhat. The fact is the answer of the Minister of Mines and Technical Surveys was completely accurate. The same statement could be made today. Autair, as of this hour, do not have a contract. A letter of intent was entered into and the formal terms of the contract, I am advised, are under negotiation at the present time. The statement which the Minister of Mines and Technical Surveys made and which has been read to the committee by the hon. member for Bonavista-Twillingate stands. He said, and I quote:

—my department will always proceed in this respect on the basis most economic for the department. But I am sure he will not quarrel with me if I do not go further at this time, because the whole system of asking for tenders in this field is not as simple as in other departments.

Mr. Pickersgill: It certainly is not.

Mr. Bell (Carleton): Along the polar shelf, where you are dealing with vast distances, of course it is not as simple as it is in other departments.

Mr. Pickersgill: You get the company with the biggest accident record.

Mr. Bell (Carleton): My hon. friend is speaking of other factors. I have heard this argued back and forth in the house, but I am not prepared to speak in relation to it one way or the other. I am only prepared to say that I am advised that, in fact, the most economic contract for the government of Canada was that which was entered into. If the letter of intent is succeeded by a contract for the coming year, it will be the most economic one for the government of Canada.

Now, I am advised that of the three proposals received, taken on an over-all basis, there is no question but that the lowest was that of the company to whom the letter of intent has been issued, but in respect of which company no contract has yet been entered into, and the formal terms are still under negotiation. The statement made by the Minister of Mines and Technical Surveys, in fact, is totally accurate.

Mr. Chevrier: Well, Mr. Chairman, I do not believe I can sit here and listen to what the parliamentary secretary has said without making the kind of retort that the answer deserves, and that is that the statement made by the minister is wholly inaccurate. I will give you an example of why it is wholly inaccurate. When the minister's predecessor was in office I put on the order paper a series of questions, one of which had to do with this very matter. The question was whether or not a contract had been entered into in respect of helicopter service for the polar continental shelf. The reply was, no, but that a letter of intent had been given. This being the case in so far as the predecessor of the present Minister of Mines and Technical Surveys was concerned, why did we not get the same answer from the present minister? The answer which the minister has given is not only inaccurate but it is not in accordance with the facts. Once a letter of intent has been given that is, legally at least, tantamount to a contract. There have to be some very strong extenuating circumstances if a contract is not awarded, particularly if money is spent on behalf of the contractor arising out of the letter of intent. I presume the contractor is always in a position to say that, because in this case almost 27 days have elapsed since the letter of intent was given. Surely, the letter of intent has been acted upon and it is equivalent to a contract.

Mr. Bell (Carleton): I would have difficulty in agreeing with that. I know in my own law practice there have been many cases in which letters of intent have been given which were not followed by contracts. Certainly to suggest that a letter of intent is equivalent to a contract is, with respect for the learning in the law of my hon. friend totally erroneous.

Mr. Chevrier: My hon. friend, in the first place, did not allow me to complete what I was about to say. In the second place, I thank him for his lecture on the law. This morning, he told me that my law was pretty good. He prefaced his remarks by saying that as a member of the bar I would know that, under similar circumstances to these, this is the position and this is the law. Apparently I knew the law this morning but this afternoon I do not know anything about the law so far as the granting of tenders is concerned.

Mr. Bell (Carleton): It may be another field.

Mr. Chevrier: But the point that is at issue is whether a letter of intent that has been acted upon—and that is what I am saying—is not tantamount to a contract. Certainly if it is not, I am sure the hon. gentleman will agree with me when I say it is the basis for an action in damages. It is the basis for a *quantum meruit* in so far as a contract may or may not have been completed.

However, that is getting away from the point and I shall not allow my hon. friend to divert me, as perhaps was his intention. The point I was trying to make was simply to confirm what had been said by the hon. member for Bonavista-Twillingate, namely that the Minister of Mines and Technical Surveys did not give the house accurate information and, if he did not, then he should be here to tell the house why he did not. It is possible that he did not have the information, that it was not given to him by his officers. But knowing him as I do, and particularly as he made reference to original discussions which had taken place about this matter, I feel confident in my own mind that he was aware of the circumstances, or should have been aware of the circumstances; yet he gave information on March 21 which indicated that there was no contract. What he should have said, as his predecessor said in a written reply to a starred question, was that while there was not a contract there was a letter of intent, and that kind of answer indicates that there is quite likely to be a contract entered into in the not too distant future.

It is unfortunate that the minister is not here to explain the position. I see from time to time he does not hesitate to raise points

of order and he would be much better off to be here and explain his position with respect to this item.

Mr. Bell (Carleton): There is nothing I can add to what has already been said, other than the fact that this letter of intent has not been acted upon in the sense that there is no aircraft flying pursuant to the letter of intent. The terms of contract are under negotiation at the present time, but I do not want to say to the committee that we have a letter of intent which will result in a formal contract, because as the hon. member well knows, there is many a slip 'twixt the cup and the lip in regard to letters of intent.

Mr. Chevrier: I feel satisfied that there will not be a slip on this occasion. I know that on two previous occasions, one involving an expenditure of $170,000 and the other $231,000, letters of intent went out in the same manner as in this case, if my memory serves me right, and again for the period March to August, 1962, there is a letter of intent involving the sum of $275,000. Therefore in my mind there is not the slightest doubt but that a contract will be finally entered into between the company and the department. I have no doubt about it, having regard to what has taken place in the past; but I do have a great deal of doubt about the manner in which these contracts, in these three separate instances, have been awarded.

I am satisfied in my mind that they have not been awarded in accordance with the practice that prevails in other departments, and it is not an excuse to say that the circumstances in respect to the polar continental shelf are such that we have to adopt other methods. These contracts should be given on a tender basis, in the same manner and to the same extent as contracts are given in any other department of government.

The Chairman: Shall the vote carry?

Mr. Pickersgill: No sir. In view of what the parliamentary secretary has said I do not think we can let this matter pass quickly. I think the minister should be sent for and should come in here to tell us what he meant by saying "I do not know."

It is true that if you take the literal meaning of the words, the question I had posed to him was, had a contract been entered into, and he said "I do not know." Either he does not know what is going on in his department or he did know that the contract had not been let but that a letter of intent had gone.

Before we vote more money for this gentleman to squander on this disreputable company we are entitled to know whether the minister is in charge of the department or whether it is just being run by bureaucrats. If the minister told us the truth when he said he did not know, that meant he did not know whether or not there was a contract. So, if he did not know he is not doing his job, and if he did know he was seeking to deceive. There is no third possibility. There are only those two alternatives. He said "I do not know." It seems to me the minister cannot be very far away. He is always in here trying to interfere with other people's estimates, and he wasted two hours last night on raising points of order. Why is he not here now when the affairs he is charged with are before the house?

Mr. Jones: You wasted the time last night.

Mr. Pickersgill: The committee was held up while he was trying to usurp the place of the Chair for two hours last night, and now when his own department is before us he is absent. He has flitted. He is away somewhere. Perhaps he has gone to Quebec on another trip. It is really a disreputable way for the minister to behave or it is an indication of a deplorable lack of knowledge of his department. It is either one or the other. I would say it is in line with the slipshod way this whole government treats parliament—

Mr. Bell (Carleton): I suggest that the hon. member get back on the item.

Mr. Pickersgill: I am on the item.

Mr. Bell (Carleton): I do not want to have to reply in kind, since we have been getting on very well today.

Mr. Chevrier: Until we got to this item.

Mr. Pickersgill: The parliamentary secretary is apparently now developing the same admiration for this Autair company that other people on the treasury benches seem to have. Incidentally I might say that I noticed in the press that Autair has moved from the province of Quebec to the city of Winnipeg, no doubt to be closer to the friends of hon. gentlemen opposite since their erstwhile friends in Quebec have been sent into the wilderness.

Mr. Campbell (Stormont): May I ask the hon. member a question?

Mr. Pickersgill: When I have finished. The hon. gentleman's interventions are always so helpful to me and other hon. members that I would not like to discourage him. I say we should have the minister here to explain to the committee these evasive or untrue answers that he gave the other day.

Mr. Campbell (Stormont): Does the hon. member not think it is rather shameful to describe as bureaucrats his former colleagues

and friends who are not in the house to defend their reputations? Is that not thoroughly discreditable? I consider it as such.

Mr. Pickersgill: I have never used the word "bureaucrat"—

Mr. Campbell (Stormont): You did use it.

Mr. Pickersgill: Perhaps the hon. gentleman could wait until I have finished my sentence. I have never used the word "bureaucrat" in the derogatory sense in which his leader uses it to attack civil servants. I was a bureaucrat myself for 16 years and I am not ashamed of it. I have referred to myself as a bureaucrat and I feel no shame about it any more than I feel shame about being a politician. I merely indicate that I did not apply any adjectives to them. I merely implied that this letter of intent had been sent by bureaucrats without the knowledge of the minister or that the minister knew about it because if it was sent without the knowledge of the minister, he is not doing his job in his department; if it was sent with his knowledge, he was not telling the house the truth when he said he did not know whether or not there was a contract.

Mr. Campbell (Stormont): Has the hon. member answered my question now? If so, may I ask him another question? Does he not know that the term "politician" is descriptive, while the term "bureaucrat" is derogatory? Does he not realize the difference?

Mr. Pickersgill: I must say, Mr. Chairman, that if I sought to educate the hon. member for Stormont this session would last a lot longer than it is likely to last.

Mr. Campbell (Stormont): I was not asking to be educated; I was endeavouring to cure the invincible ignorance of the hon. member.

Mr. Chevrier: Is not the parliamentary secretary going to reply to those questions?

Mr. Bell (Carleton): I do not want to get involved in this cross-fire.

Mr. Chevrier: Why not?

Mr. Bell (Carleton): Well, I would like to get finished by five o'clock and get the appropriation bill through.

Mr. Chevrier: If you keep some of your colleagues quiet, you might.

Mr. Bell (Carleton): All I would like to say in relation to this, Mr. Chairman—I do not want to pursue it further—is that I think anyone who reads the normal and natural meaning of this language and the explanation I have given to the committee will understand the matter fully.

Mr. Chevrier: Mr. Chairman, is the parliamentary secretary not going to ask the Minister of Mines and Technical Surveys to come into the chamber, because after all I think he owes an explanation to the committee in relation to these matters.

Mr. Bell (Carleton): Mr. Chairman, I think I have explained as fully as I can what has been the practice in supplementary estimates in the past and I do not think I can go any further. I simply say to my hon. friend that I think on the normal and natural meaning of the language, the fact is that there is not a contract today. When a contract may be entered into, I am unable to forecast; I have no information on that. The normal and natural meaning of the words speaks for itself.

Mr. Chevrier: Mr. Chairman, the hon. gentleman has a very catching smile, particularly when he feels that the item is about to pass. I really commend him for the manner in which he proceeded to answer the last part of the question, but I would remind him that, while we have been dealing with the last supplementary estimates for some few days now, there have been ministers in their seats who have come and replied to questions. I think particularly of the hon. Minister of Citizenship and Immigration, who replied to a number of questions that were put to her by the hon. member for Niagara Falls, and there were other ministers who came in. That having taken place, I do not see why, under these extraordinary circumstances, where a minister has certainly been caught in serious default, he should not be asked to come in—

Mr. Bell (Carleton): With that I do not agree, of course.

Mr. Chevrier: —and explain the contradictory position taken, having regard to the information which we received today compared to that which the minister gave on a former occasion.

Mr. Pickersgill: Mr. Chairman, I am not going to say anything more about the minister coming into the chamber. I am sure that any minister who had any regard for his reputation would insist upon coming in and defending it after the allegations that have been made this afternoon. If the minister does not want to do that, if he wants to leave these allegations on the record unanswered, I suppose, since this favourite of the government has to be given another contract, it is going to be done anyway without any regard to the public interest, and perhaps we are taking up an unnecessary amount of time over the reputation of the Minister of Mines and Technical Surveys who, having

been caught out in this evasion or ignorance, whichever it is, will be judged perhaps by another jury before too long.

But one thing I will not let pass, sir, is these repeated and erroneous references of the parliamentary secretary to the practice in the past. We demonstrated last night, by reference to the very last day of supplementary estimates under the previous government, that most of the afternoon of that day was taken up, not by Mr. Harris answering questions through his parliamentary secretary while he was off in British Columbia, because Mr. Harris stayed in the house and attended to his job here, but what happened on that occasion was that because there were some very controversial questions about the Department of Citizenship and Immigration the then minister satisfied the committee by answering those questions at considerable length. Then in the evening of the same day, as my hon. friend from Laurier pointed out last evening, the minister of agriculture answered questions for two hours.

So it is all misleading nonsense to talk about the practice of the house; and the Minister of Justice, I believe, earlier this afternoon even went further and said "the rules of the house". There is no such rule, and that observation should not be left uncontradicted on the record. We have not taken any exception in regard to the more or less non-controversial items, for which we do not expect the minister to be here, but when something of this magnitude comes up, when there is a question of whether the committee has been misled, surely it should not be left to the parliamentary secretary, however able he is, to have to defend ministers. It is the ministers, not parliamentary secretaries, who are responsible to this house, and a responsible minister would be here to defend his good name and his reputation, which is certainly under very serious question as a result of the answers given on March 21 and in the light of the fact that this letter of intent had been given on March 2 and to all practical intents and purposes this company had been told it was going to have this business.

Mr. Bell (Carleton): Mr. Chairman, I only want to say that the good name, reputation, and character of the hon. gentleman for Quebec South, the Minister of Mines and Technical Surveys, speaks for itself and, I am satisfied, will be vindicated by the jury to which the hon. gentleman referred.

Mr. Pickersgill: *Hansard* speaks for itself too.

Mr. Chevrier: Mr. Chairman, I would not like the discussion to be left at this point without adding that *Hansard* will also speak for itself, and it speaks with great emphasis.

Mr. Bell (Carleton): Then we will have to leave it to the jury.

Item agreed to.

DEPARTMENT OF NATIONAL DEFENCE

Royal Canadian Navy—

724. Operation and maintenance—further amount required, $3,500,000.

The Chairman: Shall vote 724 carry?

Mr. Pickersgill: Certainly not, Mr. Chairman. This item is for $3½ million. Is the parliamentary secretary going to deal with this item, without any minister to explain it, not even the distinguished Associate Minister of National Defence, who I suppose may have gone to Argentina? Surely either the minister, the associate minister or the parliamentary secretary should be here. Not one of them is in the committee, and we are dealing with an item asking for $3½ million. This is a disgrace, sir.

Mr. Bell (Carleton): Mr. Chairman, what has happened to change the mood of the hon. gentleman in the last half hour, I am not sure. The hon. gentleman was in an agreeable frame of mind, we were proceeding readily, and he suddenly got back into the frame of mind in which he was last evening. Whether it is that there is an item ahead that he does not want to reach before five o'clock, I do not know.

Mr. Pickersgill: There is an item about Arizona Charlie that I would like very much to reach.

Mr. Bell (Carleton): Then perhaps I could just sit down and we will get along to Arizona Charlie.

The Chairman: Shall vote 724 carry?

Mr. Pickersgill: No, Mr. Chairman; we want to know why $3½ million more is needed.

Mr. Tardif: Yes, tell us that.

Mr. Jones: Goodness, the hon. member for Russell is back in the house today.

An hon. Member: It must be the end of the month.

Mr. Bell (Carleton): Mr. Chairman, I seem to be experiencing some interference because of a welcome being extended by the committee to my distinguished friend from Russell.

Mr. Tardif: They should do that every day; I am here every day.

Mr. Bell (Carleton): I observed that the hon. gentleman said that in his nomination speech. However, the hon. gentleman and I are good friends, as well as neighbours. This item is, of course, for the operation and maintenance of the navy alone. The breakdown shows that miscellaneous materials and supplies require an additional $1,200,000; repairs and upkeep of buildings and works, including land, an additional $1 million; and repairs and upkeep of equipment, $1,300,000. A substantial part of that is in connection with current commitments on winter works projects.

Item agreed to.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

National health branch—

Health services, including assistance to the provinces—

725. To authorize hospital construction grants to the provinces, the Northwest Territories and the Yukon Territory upon the terms and in the amounts detailed in the estimates—further amount required, $2,000,000.

Mr. McMillan: Mr. Chairman, on page 20 it says, in regard to this vote:

To restore a portion of the amount deducted in the main estimates, 1961-62, representing the difference between the commitments which it was estimated would fall due in 1961-62 and the actual cash requirement.

Are there more to come in after this, on top of this $2 million vote, or does this represent the estimated total for the year?

Mr. Bell (Carleton): The position can be described very simply by saying that the program is governed by commitments which are made some time in advance. When progress is made more rapidly than is contemplated at the time of the estimates an additional amount such as we have in this item is required.

Mr. McMillan: Yes, but the hon. gentleman says this is to restore only a portion of the amount deducted. Is the government not restoring it all?

Mr. Bell (Carleton): This is due to an actual speeding up of operations. The progress of construction requires the restoration of this particular amount of $2 million.

Mr. Deschatelets: Could the parliamentary secretary inform us if there is any assistance to the province of Quebec involved in this special item of $2 million?

Mr. Bell (Carleton): No, there is not.

Item agreed to.

Welfare branch—

726. To authorize payment to the government of the province of Prince Edward Island in respect of the month of January, 1961, on account of claims submitted under an agreement entered into with that province pursuant to the Unemployment Assistance Act notwithstanding that claims were not made within the time required as provided in paragraph 13 of the said agreement, $15,708.

Mr. McMillan: In connection with this vote, was the unemployment assistance contribution paid to all the provinces up to the end of June?

Mr. Bell (Carleton): This is a special situation and it applies only to the province of Prince Edward Island. It arises out of an error in that province as a result of which the provincial claim for the federal share of unemployment assistance was not submitted within the period of time which is required, the specified six months. This was due to a misunderstanding which arose between the offices of the provincial deputy minister of welfare and the provincial auditor, the latter being a new official. It was felt by the federal government that since this misunderstanding had occurred on a local basis it would be unfortunate for us to take advantage of a technicality not to pay. However, it would be impossible under the law as it stands to pay this amount without authority and that is why this item is required.

Mr. Pickersgill: Are these payments made on the basis of the calendar year or of the fiscal year?

Mr. Bell (Carleton): Claims for reimbursement are submitted monthly. Estimating, of course, is on the basis of the fiscal year. Claims must be submitted within six months of the expenditures being incurred. In this case, because of a misunderstanding in the public service of Prince Edward Island, the claim was not submitted within the six month period. Technically, the federal government could say: We owe you nothing under the legislation. However, it was felt the government should not stand on such a technicality. However, I am bound to say we all hope that this will not become a practice among provincial governments. If provincial governments do not submit these accounts in time, the federal government may have to say: obey the law and get your bills in within six months, or else.

Item agreed to.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

National parks branch—

National parks and historic sites and monuments—

727. Administration, operation and maintenance—further amount required, $163,000.

Mr. McMillan: In connection with this item, I wonder if the minister would give us a full account of the expenditures as far as the celebrations at Dawson city are concerned. I know the other day the Minister of Northern Affairs and National Resources admitted there would be an expenditure of $200,000, I think, for the restoration of Arizona Charlie's place. However, according to a recent issue of *Maclean's* magazine, federal expenditures amounting to $400,000 have been approved by this government for the restoring of a hardware store, a mortuary and two saloons.

When the subject was under discussion the other day the minister should have told us this. I wonder if the parliamentary secretary can give us some information, now, about this expenditure.

Mr. Bell (Carleton): I am told the commitment is a little over $300,000 to date. I confess I am not such an expert on the doings at Arizona Charlie's as the two hon. gentlemen on the other side of the committee may be, but I would point out that this is a significant matter for the people of the Yukon territory.

Mr. Pickersgill: And for the taxpayers of Canada.

Mr. Bell (Carleton): I have the figure here. It is $385,000, approximately.

Mr. McMillan: It is approximately $400,000. In other words $400,000 has been approved.

Mr. Bell (Carleton): It is $15,000 less than $400,000.

Mr. Chevrier: I wonder whether the parliamentary secretary has taken cognizance of the article to which my hon. friend from Welland has referred.

Mr. Bell (Carleton): No. The hon. gentleman has kept me too busy during the last three days for me to have time to read the magazines.

Mr. Chevrier: Well, apparently the information in this magazine is accurate, because the hon. gentleman said a moment ago, after some hesitation, that the expenditure was a little over $300,000. The article in *Maclean's* indicates that it is close to $400,000. After he had reconsidered, the parliamentary secretary gave the exact figure as being $385,000. So the article is correct.

Mr. Bell (Carleton): I wonder if I may correct myself? The figure for commitments to date is $300,000 but it may run to approximately $385,000. I was in error when I said it was actually $385,000.

Mr. Chevrier: My interpretation of this article indicates it is close to being accurate. When the parliamentary secretary says it may run to $385,000 I take it the expenditure probably will run to that unless cognizance is taken of the remarks which have been made in the past and which may be made in the future concerning this item. I think we must ask ourselves in connection with the spending of such large sums of money on the saloons whether the sums are properly expended and whether this is being done in part to satisfy "the vision"—the great vision of the north which the Prime Minister likes to talk about so often and which many of his followers like to talk about as well. Is this going to be a part of that vision of the north? Will it be possible to say in the future that this is a vision which has gone from saloon to saloon, for instance? One would think this is likely to be the case having regard to what is contained in this article, because far more information is given to us in this article than we have been able to obtain from the Minister of Northern Affairs and National Resources or from the parliamentary secretary. I think we deserve some explanation of whether this is, in fact, as stated here, only a question of resurrecting two saloons, together with a mortuary. If that is the case we shall be going not only from saloon to saloon but also from saloon to mortuary. I think this committee is entitled to an explanation of these large expenditures and of the circumstances in which they are being made.

Mr. Bell (Carleton): This particular subject was discussed at some length only a matter of ten days ago. The hon. member speaks of going from saloon to saloon and he is drawing from the other expression, igloo to igloo, which represents a philosophy he apparently endorses. The fact is that this item—

Mr. Chevrier: I prefer the latter.

Mr. Bell (Carleton): The hon. gentleman is confirming his endorsation of the igloo to igloo philosophy.

Mr. Chevrier: I prefer that philosophy. I much prefer it to the saloon to saloon philosophy.

Mr. Bell (Carleton): My hon. friend now says he prefers igloo to igloo. Let me say to my hon. friend that this vote is an important factor in developing tourist trade for the north country. I hope that as a result of this tourist trade which may be increased this year because of the world's fair at Seattle which will bring people into the north country, they will see the very vision that the hon. member derides and they will invest in the north country and share with all hon. members on this side of the chamber in assisting to develop it.

Mr. Pickersgill: More saloons and more mortuaries.

Mr. Bell (Carleton): Of course, this is a matter which properly would come under the jurisdiction of the provincial government; but the territorial government is unable to finance this sort of thing. This is being done not for the purpose of restoring saloons but for the purpose of improving the economic well-being of an important part of Canada where the very future of this country may rest.

Mr. Herridge: I listened carefully and with interest to the remarks of the parliamentary secretary in which he indicated this was a basic part of Canada's tourist development policy.

Mr. Bell (Carleton): It is of assistance.

Mr. Herridge: However, I am not prepared to treat the Yukon in a different manner from the Kootenays. The chamber of commerce in my district and other organizations have been interested in developing tourist trade in the area and have asked me to bring to the attention of the government at every opportunity the opportunities that prevail in the Kootenays for the enjoyment of tourists. Our important attractions are hunting, fishing and beautiful scenery. We also have some historic sites that could be developed along the same direction indicated by the parliamentary secretary. We certainly have had some famous and historic characters and dance halls in the area. We did not have Charlie but we had Whisky Lil, Brimstone Annie, Broken-Back Rae and Yukon Iola who came from Dawson city. I knew her when I was a young man—that is, I knew of her.

The Kootenay historical society has recently been housed in what is known as Rosie's Retreat. I have been asked by a constituent to ask the government if they would consider a grant to its development to benefit the tourist industry of the Kootenays and also contribute to the development of Canada.

An hon. Member: Restoration.

Mr. Herridge: Yes, restoration. I think it is unfair to have this policy apply in only one area. I am not opposed to the policy but feel it should not be confined to only one area. The hon. member for the Yukon should not be the only one to reap this advantage.

Would the minister tell us whether it is the plan to apply the policy on a national scale? I am sure there are many districts where it could be well applied. Kootenay is an old mining district with a glamorous past where funds could be devoted to the restoration of similar institutions to Charlie's, to the advantage of the tourist industry and Canada generally.

Mr. Bell (Carleton): Mr. Chairman, I fully share the hon. member's appreciation of the beauties of the Kootenays. In fact, they are so beautiful I wonder why the hon. member should bother coming back to Ottawa again. However, I shall resist the temptation of making the suggestion I was about to make.

The hon. gentleman will appreciate that the responsibility of the federal government in the territories is somewhat different from that of the federal government within the provinces. I would not be able legitimately to make the plea on behalf of my constituency that we should be put in exactly the same position as one of the territories.

Mr. Pickersgill: You had better not.

Mr. Bell (Carleton): Hon. gentlemen will appreciate what is being done generally by the federal government in endeavouring to promote the tourist industry across the country. The projects that are being undertaken in the territories are being undertaken because the territorial government has not the financial capacity of a provincial government and is unable to assume responsibility.

Mr. Pickersgill: Mr. Chairman, there is one brief observation I should like to make about this. In the days when these saloons which are now being restored in quantity flourished—back in '98—they were private enterprises—

Mr. Nielsen: Mr. Chairman, I rise on a question of privilege. The hon. member for Bonavista-Twillingate is misleading the members of the committee when he says that saloons are being restored. Not a single saloon is being restored. It is a theatre that is being restored.

Mr. Chevrier: That is not a question of privilege.

Mr. Pickersgill: The unpaid parliamentary secretary is always rising and interfering when other hon. members have the floor.

Mr. Nielsen: Just setting the record straight.

Mr. Pickersgill: The point I was making was that in the old days when these saloons did flourish they were private enterprises that paid taxes to somebody no doubt—perhaps not all they should have, but they paid taxes—but this new policy of having socialized saloons is, I suggest, a bit strong for the Canadian people.

(Translation):

Mr. Deschatelets: Mr. Chairman, I would like to say a few words following the remarks made by the hon. member for Kootenay West (Mr. Herridge). If houses of that kind are to be restored in some regions of the country,

I wish to point out that Montreal has also a number of historic houses, in particular one called "Taverne de Jos. Beef".

I do not think we should adopt a discriminatory policy, that is restore houses in certain cities and not offer the same advantages to Montreal.

(Text):

Item agreed to.

The Chairman: Order. It is now five o'clock. So that the house may proceed to the consideration of private members' business, pursuant to section 3 of standing order 15 it is my duty to rise, report progress and request leave to sit again later this day or at the next sitting of the house as the case may be.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: I understand that the parliamentary secretary wishes to table a document.

Mr. Richard A. Bell (Parliamentary Secretary to the Minister of Finance): Yes, Mr. Speaker. When the house was in committee of supply I made reference to a document relating to vote No. 710. This is a summary of debts presented for deletion from the public accounts. I should like now the permission of the house to table it.

Mr. Deputy Speaker: Has the parliamentary secretary, on behalf of the Minister of Finance, leave of the house to table this document?

Some hon. Members: Agreed.

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

Mr. Murray Smith (Winnipeg North): Mr. Speaker, I wonder whether I might ask the indulgence of the house to proceed with a bill under private bills standing in my name, namely Bill S-15, an act respecting the Canadian Indemnity Company and the Canadian Fire Insurance Company. It is quite important to this company that this matter be proceeded with as quickly as possible and if the house would give unanimous consent to proceed with this item first it would be appreciated.

Mr. Deputy Speaker: Is there unanimous consent to the request made by the hon. member for Winnipeg North that this private bill be considered before public bills as listed on today's order paper?

[Mr. Deschatelets.]

Mr. Chevrier: There is no objection from this side.

Mr. Herridge: None from here.

Mr. Deputy Speaker: I take it that there is unanimous consent and the bill may be proceeded with.

PRIVATE BILL

CANADIAN INDEMNITY COMPANY AND CANADIAN FIRE INSURANCE COMPANY

Mr. Murray Smith (Winnipeg North) moved the second reading of Bill No. S-15, respecting the Canadian Indemnity Company and the Canadian Fire Insurance Company.

Mr. Chevrier: On a point of order, Mr. Speaker, Bill No. S-15 is not in my file and I take it that it is not in other members' files of Senate bills. I wonder whether we could have it on the table?

Mr. Deputy Speaker: I am informed that the bill is being brought to the house.

Mr. Smith (Winnipeg North): Mr. Speaker, the purpose of this bill is to provide for the amalgamation of two insurance companies, namely, the Canadian Indemnity Company and the Canadian Fire Insurance Company, each of which has its head office in the city of Winnipeg. The amalgamation is being made under the provisions of section 108 of the Canadian and British Insurance Companies Act by virtue of an agreement between the two companies entered into on July 26, 1961. As well as effecting an amalgamation, it would also create a new corporation referred to as the continuing corporation under the name of the Canadian Indemnity Company and, in French, L'Indemnité Compagnie Canadienne.

The two companies in existence are owned by the same owners and this is just an amalgamation in order to facilitate the carrying on of business. The bill has received the approval of the other place and was reported from their committee without amendment.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

CANADA ELECTIONS ACT

PROVISION FOR DISTRIBUTION OF NAMES OF CANDIDATES

Mr. Frank McGee (York-Scarborough) moved the second reading of Bill No. C-34, to amend the Canada Elections Act (campaign contributions).

He said: Mr. Speaker, the matter of campaign funds, if one can believe the indications we have heard from the benches opposite, is a particularly appropriate one for discussion

at this time. I am going to begin by taking issue with the proposals that have been put forward for changes in this regard by both the Liberal party and the New Democratic party. In particular, I take issue with what presumably is now Liberal party policy as set out in the house by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) on March 19 when the resolution which stood in his name was under discussion.

The proposals put forward by the hon. member for Bonavista-Twillingate were, as he said at that time, in two parts. The first had to do with the limitation of total expenditures.

Mr. Pickersgill: Mr. Speaker, I am not seeking to interrupt the hon. gentleman in any way except that I think there is a point of order involved here that we should consider for the whole house in this debate. I think that probably what the hon. member is seeking to do in this particular and peculiar circumstance is all right, that is, to refer to a debate on a motion that took place in the house in this session. Normally that would be against the rules. I am not seeking to take an exception to it. I merely felt that the Chair should take note of this at the beginning so that all hon. members would feel equally free to refer to that motion, which was merely a motion to establish a committee to consider something, which I recognize is closely related to the subject matter of the hon. member's bill. All I am concerned about is that we should have an understanding at the outset that equal privileges will be accorded to all hon. members.

Mr. Deputy Speaker: I think in this particular instance the difficulty does not arise as no decision was taken on the motion, and all members, of course, will receive the same treatment.

Mr. McGee: On the point of order, Mr. Speaker, before I continue with my remarks, surely the hon. member for Bonavista-Twillingate would not seek, directly or indirectly, to deprive the house of his pearls of wisdom.

Mr. Pickersgill: Quite the contrary. I just wanted to be sure I could reply in kind.

Mr. McGee: If it will satisfy the hon. member for Bonavista-Twillingate I can refer from memory—

Mr. Pickersgill: Oh, no. Go right ahead and quote it.

Mr. McGee: —to that momentous occasion one recent Sunday afternoon when he jousted with the newly elected leader of the New Democratic Party with one of history's most impartial chairmen adjudicating the debate. Whether I read or paraphrase does not really matter. The proposal he put forward had two parts, the first being a limitation on the total expenditures allowed to any particular candidate or political party. His second proposal, and the one to which I take particular objection, had to do with the payment of possibly all but certainly the greater part of these expenses out of the public treasury.

To deal with the first question first, I do not think there is any disagreement among the parties or among the various members of the house that some means must be found to apply some reasonable limit. One can argue that there is a natural law or natural correcting process in force in that if a political party or an individual candidate in a constituency is clearly spending a great deal of money in an attempt to win an election the public becomes aware of the wide disparity between individual candidates or parties, and the good common sense of the Canadian people is very likely to counteract that. I offer in support of that view an incident which occurred in the electoral history of this country where a candidate spent a total of $75,000 and the reaction of the electorate in that constituency was precisely that which I have indicated. They were offended at the suggestion that someone with a great deal of money could come into that constituency and expect to be elected simply because he had more money than anyone else. I do not recall precisely, but if my memory serves me correctly the gentleman in question, having expended that amount of money, lost his deposit. That there should be some limit applied and some practical method followed to make that limit effective no one will deny.

I do suggest to the hon. member that there are prodigious difficulties in connection with any attempts that have been made to apply this limit. The difficulties I mentioned before in this house involve such things as the evaluation of various services which are rendered to individual candidates. I have in mind the value involved in a person who leaves his normal form of gainful employment to devote his entire energies to the support of a particular candidate. This is an expense in the true sense of the word. The man is foregoing the opportunity to earn money and is, in effect, making a contribution to the candidate of the amount of money he is not earning at that particular time.

Then, too, in my constituency certain of my friends and supporters make available their recreation rooms for committee rooms. While these items of expense never appear and will never appear on my election expense list, there are elements of value in placing a recreation room or an empty room in an office building at the disposal of a candidate

because these places could be rented to others. There is value involved. You can go through the various components that make up an election organization and you find these difficulties that I have mentioned before. I mention, too, the situation which arose in one constituency where labour organizers from all sections of the country were mobilized in that one constituency. Clearly, there was value involved. These men were not doing what they were being paid to do by the organization which normally pays their salaries. These are some of the difficulties that the hon. member is going to encounter in connection with this proposal.

Legislation has been enacted in various countries and jurisdictions in an attempt to accomplish this end. In fact, complete control or anything near complete control in this field has escaped those pursuing this goal. I am not suggesting for a moment that simply because there are prodigious difficulties we should not proceed, but it seems to me that we can reasonably expect little effective action in exploring this area. According to the statement made by the hon. gentleman which I read to the house a few minutes ago, he felt that all campaign expenses should be paid by the public treasury. In this connection, there was an article published recently in the *Star Weekly* written by a gentleman by the name of Rae Corelli in which this question was discussed in general terms. The article quotes an hon. member of this house, as follows:

> Skeena's Frank Howard opposes a treasury subsidy on the grounds that political parties would "tend to lose contact with the people".

Then, later, there appears a more interesting comment from a person described as a high level civil servant, and I quote:

> A high-level civil servant who has watched the Ottawa scene for 30 years goes further and attacks the treasury plan: "This would be a crime against the people of Canada; that's all we need—a welfare state for politicians."

These views are certainly not my precise views on the subject, but do represent some of my thoughts. The hon. member for Bonavista-Twillingate (Mr. Pickersgill) went on to describe how he would manage his proposal to have the election expenses of all candidates paid by the treasury. Apparently all candidates would be given a certain amount of money, depending in part on the number of constituents involved and having regard also to certain other factors such as those encountered by the hon. member for Cariboo (Mr. Henderson) and the hon. member for Yukon (Mr. Nielsen) and other areas where transportation difficulties are the overriding factor, rather than the number of voters. He suggested that in order for a candidate to qualify for this grant or handout from the government, he would have to poll a certain percentage of the vote. The hon. member suggested that it should be 20 per cent of the total vote or 20 per cent of the vote of the successful candidate. He goes on to talk around the subject a bit and finally settles for what he calls a respectable vote.

It seems to me that the difficulty which would evolve here would be the impact on splinter groups or independent candidates, parties other than the Liberal or Conservative parties in this country. I suggest to the hon. member for Bonavista-Twillingate that he is on sound ground when he advocates the proposition that the two party system is the most desirable form of parliamentary government. I might even go along with him in the suggestion that splinter parties impede the procedure of the house to some extent, although they provide comic relief from time to time and as a recruiting ground for the Liberal party they presumably perform some useful function for the Liberals as well.

I am wondering, however, if the hon. gentleman is not in difficulty with this 20 per cent suggestion in that it will, in effect, penalize minorities in our system in the name of encouraging broader participation in politics. If he is going to do this at the expense of weakening the potential position of minority parties, he ceases to stand on strong ground. I am surprised at this attitude—

Mr. Pickersgill: I wonder if the hon. gentleman would permit a question? Does he see any difference in principle in saying that if a candidate cannot get a percentage of the vote he would not have his expenses paid and the present law which says that if a candidate does not get a certain percentage of the vote he loses his deposit? It seems to me that, in principle, both of these propositions are discriminatory against the minority, if that is the way the hon. gentleman wants to describe it. There is no difference in principle between the two.

Mr. McGee: Perhaps that illustrates the difficulty in arguing solely on the basis of principle. Clearly, the difficulty that would evolve here would be that a candidate presumably would be given an undertaking that he would be entitled to a certain amount of money at the end of the campaign. If he did not get the 20 per cent of the vote, he would not get that money. The money would have to come from somewhere. I am quite certain the hon. gentleman had in mind a great deal larger sum of money than the $200 which is the amount of the deposit at the present time. When this matter was under discussion in the privileges and elections committee a few years ago, the question of increasing the amount of the deposit was discussed. If my memory

serves me correctly, the feeling of the committee at that time was that no useful purpose would be served by increasing it substantially because the $200 would prevent nuisance or frivolous candidates from participating in the election.

I shall come back to the point I was dealing with before the hon. member interrupted me. This question of discriminating against minorities is not new in the broad political scene. I saw an article in a newspaper the other day which indicated it is common practice within the hon. gentleman's own party. The report said there was a new practice these days in that great democratic Liberal party that unless you have $75 to put on the table at a nominating convention you cannot even stand for nomination. That is a great stride forward within this party which has all the answers—all the answers, indeed. In effect the hon. gentleman is not only burdening the already overburdened public treasury in this matter but is, I suggest, effecting a form of discrimination which seems to be becoming typical of that party.

My solution, and the principle involved in this bill, have to do with a solution which will remove some of the possibilities giving rise to areas of abuse inherent in this whole question. It is my contention that it would be a far healthier thing for our democratic system if we could obtain participation on the part of a much larger percentage of our population than we have now. It is my contention—and I offer some factual basis for it—that a great many people would be willing, and in fact are anxious to participate in helping with the campaign expenses of individual candidates and political parties, if only they were approached.

Evidence of that is shown in the result of a Gallup poll which was taken a few years ago in the United States when a very interesting experiment took place in the elections of 1958. A number of people in that country had become concerned about estimates which indicated that 90 per cent of political contributions were being made by 1 per cent of the population, which indicated an obvious disparity and clearly recognized opportunities for abuse.

They gathered together to discuss the question, a question which has been discussed ever since elections were first held, and they decided to take some positive step to find a solution. The Gallup poll came up with impressive evidence that millions of voters are ready to contribute to the political party of their choice, but they have never been asked to do so. It showed that some 17 million families in the United States would be willing to give at least $5 each, making a total of $85 million, if somebody would just ask them, if some machinery could be set up whereby these people could be approached and assured that their contributions would find their way to the person or party designated by them.

Mr. Pickersgill: Would the hon. gentleman permit a question? Does he feel a confidence in Gallup polls that is not reflected in the editorials of his favourite newspaper?

An hon. Member: What about the one in New Brunswick?

Mr. McGee: The hon. member has twice tried to steer me away from my objective and I am going to forgo the opportunity to offer the kind of reply which I think he expects to that question. The indications are that the same situation would be evident to a similar extent in Canada.

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

Mr. McGee: May I ask if allowance was made for the interruptions and questions of the hon. member for Bonavista-Twillingate?

Mr. Deputy Speaker: Yes; there was a minute or two added to the hon. member's time.

Mr. Frank Howard (Skeena): The value to be placed on this bill—not the value to be placed on the explanatory note accompanying it—is evidenced by the amount of time which the hon. member spent dealing with it. Some 17 minutes of his time limit were spent in a negative approach to something else, and the balance of three minutes to advocating support for the bill now before us. He had no refuting remarks to make about the proposals which we have been putting forward for quite a number of years.

We should differentiate between what the explanatory note says the bill will do and what the bill itself will actually accomplish. The explanatory note says it is "as a convenience in making campaign contributions". The title refers to "campaign contributions" but the substance of the bill itself has nothing to do with this particular question. Were the bill to become law it would be nothing more than a smokescreen to cover up for the pork barrel artists who assist the two old line parties now represented by the government and the principal party in opposition.

There was an article in *Maclean's* magazine a few months ago in which a former Liberal organizer, campaigner, or something of that nature, made comments about things which existed within the party so far as campaign contributions were concerned. He wrote that it is the general practice for large corporations to divide their campaign contributions on the basis of 60 per cent to the party in

office and 40 per cent to the party in opposition. The article referred to by my hon. friend from York-Scarborough, which was written by Rae Corelli in the *Star Weekly*, gives a similar indication. I do not know where Mr. Corelli got his information. I do not know if his article is as authoritative as that I referred to earlier, but nevertheless he gave the same indication with regard to campaign contributions by private corporations.

Obviously they operate on the principle that if you have two horses in a race and bribe both the jockeys, then your chance of winning is pretty good. This bill deals only with candidates, and only requires a candidate to file his source of income and method of expenditure. It does not require the same information to be provided by political parties, and our major concern should be for the interest and welfare of the general public.

In my judgment this bill will not take one step towards protecting the public against encroachments that may be made upon their property and rights of freedom by political parties. It does nothing to make sure that secret contributions will come under public scrutiny. It does nothing to deal with the question of whether there should be a limit placed upon the amount of money that can be spent by a candidate and a party. It does nothing whatsoever to deal with the possibility, remote or otherwise of a recurrence of something akin to the Beauharnois scandal that existed not too many years ago, and it does nothing to prevent a recurrence of the awkward situation in which Sir John A. Macdonald found himself with respect to party contributions. It does nothing whatsover to prevent a recurrence of something similar to the Somers scandal which existed in the structure of the provincial government of British Columbia not too long ago. All it will do is place more work upon the shoulders of the returning officers because they are required by one of the provisions of the bill to give to the various postmasters a list containing the names, addresses and occupations of the candidates and the official agents.

It will overload the postal employees, who are overloaded in any event at election time. Its sole purpose is to disseminate by householder mailing system the name, address and occupation of the candidate and the official agent. I submit that if one wants to accomplish this sort of thing and if, as the hon. member for York-Scarborough says, there are a number of people who would like to contribute to the party of their choice but who have not done so because they have not been asked, this is valuable information for the parties themselves and for the candidate, and I think it would be a worth-while expenditure for the candidate, his official agent or his campaign committee to invest some money in a householder mailing system and in effect say, "This is our candidate. This is what we believe in. If you would like to contribute, this is the address to which you can send your contribution". This would be a far better way of approaching the question of asking for campaign fund contributions from the individual citizens of this nation than by overloading the returning officer and the public treasury by having to pay for the householder mailing system.

I have other thoughts about this matter which apply to candidates themselves, but these are not connected with the question of campaign fund contributions. We have made suggestions and proposed ideas in years past on this question, and will continue to do so. I think it is an excellent system which exists at the moment, where all three parties are represented in the House of Commons, each expressing ideas and making suggestions and proposals as to how we can deal with the question of campaign fund contributions and how we can ensure that parties remain in close liaison or rapport with the general public.

I doubt very much that we will come to any agreement on what approach should be made before that time arises to which the Prime Minister made reference today, but I hope we will be able to keep alive in the minds of the parties themselves, no matter which one is in government or which parties are represented in the house, after the election this idea that we should be tackling this problem in more than a casual way. I hope these proposals which are being made are not merely election gimmicks to present a picture of purity to the general public before the election takes place.

Mr. McGee: Mr. Speaker, would the hon. member permit a question before he resumes his seat?

Mr. Howard: Yes.

Mr. McGee: Is the hon. member saying, in his critical remarks concerning this proposal, that he is in effect opposed to a mailing system giving this information to the electors, and a nation-wide campaign encouraging citizens to acknowledge their responsibilities in this matter and contribute to the individual candidates? Is the hon. member expressing opposition to that notion, which is the working basis for this bill?

Mr. Howard: What I said right from the outset, Mr. Speaker, not directly to the hon. member but to the house—and perhaps I could say it again now—was that I am not

indisposed to the explanation given in the explanatory note of this bill, which I will read again:

> The purpose of this bill is to inform electors of the candidates and their respective official agents as a convenience in making campaign contributions.

That is a decent thought to have. What I do say is that the bill has nothing whatsoever to do with that. It provides for the first part, giving information to the electors by householder mail as far as the name, address and occupation of the candidate is concerned, but it makes no reference whatsoever to campaign contributions.

Mr. Aiken: Mr. Speaker, I wonder whether the hon. member would permit me a question. Does the hon. member still believe, as he did a couple of years ago, that the possession of a reasonably substantial sum of money is likely to subvert the candidate in favour of those who provide it?

Mr. Howard: My position is that the possession of a reasonably large sum of money in the neighbourhood of perhaps $8 million to $10 million, contributed secretly to political parties by private corporations with axes to grind, is likely to subvert a political party, as it has subverted political parties in the past.

(Translation):

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I should like to make some brief remarks on this bill. It is not very complicated. Its aim is to inform electors as a convenience in making campaign contributions.

One of the provisions of this bill stipulates that the returning officer shall prepare a list setting out the particulars of the name, address and occupation of each candidate, together with the name, address and occupation of the official agent, the said list to be sent to all householders.

Mr. Speaker, I rather think that the adoption of this bill would entail considerable expenses. The mover, the hon. member for York-Scarborough (Mr. McGee), did not touch upon that fact, but I am of the opinion that the expenses would be too high with regard to the practical advantages that would be gained.

If you want to let the public know the names of the candidates, it is quite proper to prepare a list. And I have no objection to adding the name, address and occupation of the official agent, but I think things could be arranged so that the public treasury would pay the cost of such advertising in the leading papers in the country, English as well as French. Thus, all the electors could know, within a certain period of time before the election, those who solicit their support or their votes. The expense would not come very high for the public treasury. In fact, it would cost even less than the method proposed by the hon. member for York-Scarborough.

Mr. Speaker, if one examines this bill one finds that its purpose is to facilitate the making of contributions. I fail to see how such contributions can be included in the amendment proposed by the hon. member. I fail to see also how the fact of sending the list of candidates to each elector would encourage them to contribute to the election campaign of a candidate.

Mr. Speaker, I have been in politics for a rather long time, having been first elected to the house in 1953. I have acquired some practical knowledge since and, frankly speaking, I cannot see how the public can be led to participate in the election campaign of the candidates simply by being informed by the returning officer that Mr. so-and-so is the candidate in a given constituency.

Mr. Speaker, I readily admit that some important amendments are required with regard to the Canada Elections Act, and even that they are urgently needed. That is why I am somewhat surprised that the government have not taken a definite stand on the matter in the last four years, because it was their responsibility, I think, to introduce a bill for election reform in the light of today's needs.

I should like to point out to the hon. member that we, on this side of the house, as he knows—for he mentioned it a little while ago—are in favour of limiting election expenditures. In fact, I even had the pleasure to support a resolution to that effect moved by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) to the recent Liberal convention held last January, where similar resolutions were adopted.

I think the high costs which would result from the passage of this bill could be put to better use, especially if the government should consider that certain expenditures are necessary to help a candidate. I think it would be much more practical to use that money to help a candidate cover necessary expenses.

I would also be in favour of the government spending money on the eve of an election, during an election period, in order to urge the public to exercise its franchise.

Of course, all candidates urge the electors to exercise their franchise; but if the electors were urged by the state itself, or by some supra-political body, there could be more voters than is the case at present. I was saying a moment ago that electoral reforms

are necessary. I know the hon. member has studied the matter and that he knows all the difficulties involved in the application of those reforms. In the province of Quebec, the head of the government in power has proposed this year important reforms to the elections act, in order to simplify and reduce the cost of election campaigns.

The bill introduced in the Quebec legislature not only limits election expenses, but will help each candidate find the required amount of money to successfully manage his election campaign.

Mr. Speaker, I do not want to press the point too long, because I want to afford other members the opportunity of saying a few words; but, to put it briefly, I think electoral reforms are necessary.

I hope that as soon as we have won the next election, we shall be able to propose legislation similar to that introduced by the premier of Quebec during the present session.

Before concluding my remarks, I should like to say a few words to my hon. friend from Skeena (Mr. Howard).

(Text):

This is not the first time the hon. member has spoken in the way he did about electoral funds and it is my opinion that he has obtained his information from certain bedtime stories. Reality is much more simple than that. I want to tell him that personally I found campaign funds so limited that I was obliged to pay an additional amount myself through personal loans and to try to get voluntary workers. As far as I and my colleagues are concerned there is no such thing as tremendous spending in electoral campaigns.

(Translation):

Mr. Speaker, in other words, however praiseworthy the aim of this bill may be, I do not believe that the procedure stated therein, will enable us to reach it.

(Text):

Mr. G. W. Baldwin (Peace River): The last two speakers have, in effect, found nothing wrong with the principles contained in this bill but they have made certain suggestions which indicate that they look askance at the methods employed. It is elementary that if there is a good principle we can always modify the legislation to suit the circumstances. When one looks at the bill together with the explanatory notes it seems to me to be based on excellent principles and if the house were to decide to pass the measure it would be simple enough to add a section or a subsection saying it is the intention that those voters who desire to participate by making a contribution to a party or candidate were receiving a sheet, or information, for that purpose.

If it were decided that it would be good for a form to be used, it would be elementary to put at the bottom of the form a statement that those desiring to make a contribution to support a party or candidate whose names were shown might do so. This would achieve the result which the hon. member for York-Scarborough (Mr. McGee) wishes to achieve.

A bill of this kind is probably a considerable improvement over the existing practice and I think we should support it because it is substantially better than an alternative which has been offered and which has been the subject of some discussion in an earlier debate, namely that all this should be done through what is, in effect, a government expenditure. I submit that government is too much with us now.

There is a tendency on the part of many voters to consider themselves as having little or no part in government. They think of themselves and of the government as being completely distinct. If a democratic system is to flourish and improve it can only be with the participation of those who comprise the electorate. I submit that the effect of putting into the hands of the government all the campaign expenses would remove from the people a considerable incentive to participate. It would add to the distance which all too often separates the voter from the government. We saw too much of this in years past. Until 1957, as a result of the war and conditions following it, there was a system developing of government by revelation, government by a few favoured individuals who thought they had this divine right. In 1957 and 1958, the people of this country ended that phase and restored control to members of parliament. They will confirm and endorse that decision at a certain date which I hope is not too far removed. To that extent, the greater participation which will inevitably result from the adoption of the bill would be all to the good. I think of a statement made by a very eminent young man, who now holds an important position in the free world, when he was faced with accepting great responsibility. That statement may very well be applied to the principle of the bill we are now considering. He said: Think not of what your country can do for you, but of what you can do for your country.

I think this is the spirit in which people should approach the question of government and the election of members of parliament. Not everyone has the time or opportunity to participate in the administration of the country. All cannot be members of parliament or returning officers. However, if people had the opportunity of making these contributions and felt it was the thing to do they would have a sense of participation and would have a definite interest in election campaigns and their results.

In my limited experience I have found that when we return to our constituencies we encounter a great reservoir of common sense, good judgment and sound understanding. Certainly this was demonstrated in March of 1958 as I am sure it will be again.

I know that others wish to participate in this debate and although there is more I should like to say I will conclude my remarks. To the extent to which I am certain this measure will tend to result in more people becoming interested in political campaigns I am glad to endorse the principle behind the bill.

Mr. R. J. McCleave (Halifax): Mr. Speaker, may I commence by paying a massive tribute to the sponsor of this bill, the hon. member for York-Scarborough. When he made reference to history's most impartial chairman in the debate between the hon. member for Bonavista-Twillingate and the future defeated N.D.P. candidate in Regina city, I think the hon. member for York-Scarborough with that reference paid one of history's greatest compliments to a father-in-law. The Ottawa *Journal* please copy.

I do not share the feeling of my colleagues in the Conservative party who have previously spoken in this debate. I would have a natural reluctance, I am afraid, if the taxpayers of this country should be asked to pay the costs of sending the names of candidates and official agents around from door to door, even though I realize, as the bill sets out, all the candidates in a particular riding would be lumped together.

I look upon this matter very much as I think I would if I were a bachelor to whom someone sent a list of all the eligible young spinsters in the neighbourhood whom I might court. I think politics should be approached very much on the same basis as romance in that one should seek out, look around, hunt and woo as best one possibly can and the road should never be made too easy.

Further, I suggest I do not think the public would give general acceptance to a bill in which they would be asked to pay part of the expense of a political campaign. No matter how highly we regard ourselves in this honourable chamber, outside I think people would entertain a certain suspicion—and probably a well justified suspicion—if we should adopt the measure that is proposed by the hon. member.

May I point out a fallacy in the sponsor's argument. This concerns the reference to the Gallup poll in the United States in which apparently some 17 million people—I presume this would be a projection from their interviews with a few hundred thousand people or families—would favour giving $5 apiece to their favourite political party if only machinery could be set up to collect that money. Presumably those 17 million at one time or another in the last United States campaign heard of Mr. Nixon or Mr. Kennedy, and presumably there were enough advertisements everywhere to show where these donations might have gone. I would therefore ask the hon. member why at least part of the 17 million, a substantial number—say over half—did not make those $5 donations. I think the measure he proposed for this country would have very much the same result.

Mr. Speaker, may I call it six o'clock.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I inquire of the house leader what the business will be for Monday and the rest of next week, if there is a "rest of next week" so far as this parliament is concerned?

Mr. Churchill: Hon. gentlemen opposite are getting nervous.

Mr. Chevrier: Not in the slightest.

Mr. Pickersgill: We are not the nervous ones.

Mr. Churchill: On Monday, Mr. Speaker, we will proceed with legislation. The first item will be No. 13 on today's order paper, the resolution in the name of the Prime Minister to establish an electoral boundaries commission. Item No. 2 will be the resolution in the name of the Minister of Justice dealing with the appointment of additional judges. Item No. 3 will be second reading of Bill No. C-38 in the name of the Minister of Justice dealing with the reporting of financial and other statistics. Item No. 4, if we get to it, will be Bill No. S-19, an act to amend the Canada Grain Act. I think that would be the order in which we will take the items. If there is a change I will notify the other side before the house opens on Monday.

Mr. Chevrier: Well, Mr. Speaker, it is rather difficult to understand the attitude of the other side of the house having regard to the debate which took place for two hours last night, the argument being advanced that

we were holding up these estimates and that they had to be put through before a specific time. We were told by the house leader that these estimates had to go through in three days.

Mr. Churchill: I suggested that as an objective.

Mr. Chevrier: And now, notwithstanding the urgency which these final supplementary estimates have, we are going to proceed with legislation on Monday. This is a clear proof, in my mind at least, that these estimates were not in the slightest degree urgent.

Mr. Churchill: I cannot allow that statement to go unanswered. The estimates are important and urgent. In other years the final supplementary estimates have passed this house sometimes in part of a day, sometimes within two days and always within three days, at the outside. The opposition on this occasion has elected to filibuster on the final supplementaries.

Mr. Chevrier: Mr. Speaker, on a question of privilege particularly having to do with the word "filibuster", there has been no filibustering from this side of the house, but for two hours last night we had a filibuster consisting of points of order coming particularly from the Minister of Mines and Technical Surveys.

Mr. Speaker: Order. It being six o'clock I do now leave the chair.

It being two minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in committee of supply on Thursday, March 29]:

DEPARTMENT OF DEFENCE PRODUCTION

A—Department—

690. Care, maintenance and custody of stand-by defense plants, buildings, machine tools and production tooling—further amount required, $100,000.

B—Crown companies—

Canadian Arsenals Limited—

691. Administration and operation—to extend the purposes of vote 74, main estimates, 1961-62, to reimburse Canadian Arsenals Limited in respect of outstanding balances of previous years' operating deficits, $1.

[The following items were passed in committee of supply]:

DEPARTMENT OF FINANCE

Administration of various acts and costs of special functions—

Royal Canadian mint—

707. Administration, operation and maintenance—further amount required, $42,000.

708. Construction or acquisition of equipment—further amount required, $13,000.

Subsidies and other payments to provinces—

Special payments to provinces—

709. Payments to the government of each province, in respect of income tax collected from corporations whose main business is the distribution to or generation for distribution to the public of electrical energy, gas or steam, of amounts computed in accordance with section 6 of The Tax Rental Agreements Act, 1952, as if the last two lines of subsection (1) of that section read as follows: "...ending on the thirty first day of December, one thousand nine hundred and fifty nine"—further amount required, $396,559.

Contingencies and miscellaneous—

710. To authorize the treasury board to delete from the accounts certain debts due, and claims by, Her Majesty, each of which is in excess of $1,000, amounting in the aggregate to $3,710,688, $1.

General items of payroll costs including superannuation payments—

711. To supplement other votes, subject to the approval of the treasury board, for the payment of salaries, wages, and other paylist charges—further amount required, $2,500,000.

712. To authorize persons who become employed in the public service as a result of the transfer of administration of the Vancouver airport to the Department of Transport and who, immediately prior to such transfer, were employed by the city of Vancouver, to count as pensionable service under the Public Service Superannuation Act, notwithstanding anything contained therein, their service with the city of Vancouver on the basis that the amount required to be paid by them, in respect of such service, shall be determined, in accordance with regulations to be made by the treasury board, as if an agreement had been entered into with the city of Vancouver pursuant to section 28 of the Public Service Superannuation Act in terms similar to those contained in such agreements that have been entered into with other public service employers, $1.

DEPARTMENT OF FISHERIES

Special—

713. Estimated amount required to recoup the lobster trap indemnity account established under vote 540 of the Appropriation Act No. 5, 1955, to cover the net operating loss in the account as at March 31, 1962, $99,000.

DEPARTMENT OF JUSTICE

A—Department—

714. Departmental administration—further amount required, $75,500.

Northwest Territories—

715. Administration of justice in the Northwest Territories, including the Northwest Territories territorial court—further amount required, $47,000.

Yukon Territory—

716. Administration of justice in the Yukon Territory, including the Yukon territorial court—further amount required, $41,000.

Combines Investigation Act—

717. Restrictive trade practices commission—further amount required, $5,000.

718. Bankruptcy Act administration—further amount required, $25,000.

Pensions and other benefits—

719. Gratuities to the widows or other dependents of judges who die while in office—further amount required, $9,000.

B—Penitentiaries—

720. Reimbursement of the industrial revolving fund established by vote 628 of the Appropriation Act No. 2, 1955, for the value of materials which were destroyed by fire, $14,145.

LEGISLATION

House of Commons—

721. Canada's share of the expenses of the commonwealth parliamentary association including subscriptions to publications of the association—further amount required, $1,000.

722. General administration—estimates of the clerk—further amount required, $148,000.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

A—Department—

General—

723. Polar continental shelf project—further amount required, $103,565.

DEPARTMENT OF NATIONAL DEFENCE

Royal Canadian Navy—

724. Operation and maintenance—further amount required, $3,500,000.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

National health branch—

Health services, including assistance to the provinces—

725. To authorize hospital construction grants to the provinces, the Northwest Territories and the Yukon Territory upon the terms and in the amounts detailed in the estimates—further amount required, $2,000,000.

Welfare branch—

726. To authorize payment to the government of the province of Prince Edward Island in respect of the month of January, 1961, on account of claims submitted under an agreement entered into with that province pursuant to the Unemployment Assistance Act notwithstanding that claims were not made within the time required as provided in paragraph 13 of the said agreement, $15,708.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

National parks branch—

National parks and historic sites and monuments—

727. Administration, operation and maintenance—further amount required, $163,000.

HOUSE OF COMMONS

Monday, April 2, 1962

The house met at 2.30 p.m.

RAILWAYS, CANALS AND TELEGRAPH LINES

CONCURRENCE IN SIXTH REPORT OF STANDING COMMITTEE

Mr. W. M. Howe (Wellington-Huron) moved that the sixth report of the standing committee on railways, canals and telegraph lines, presented to the house on Friday, March 30, be concurred in.

Motion agreed to.

INDIAN AFFAIRS

LEGISLATION TO ESTABLISH COURT OF INDIAN CLAIMS

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-81, respecting the Canada court of Indian claims.

Some hon. Members: Explain.

Mr. Howard: The purpose of this bill is to put into effect the unanimous recommendation of the joint Senate and House of Commons committee of last session that there be established a court of claims to deal specifically with the B.C. Indian land question and the Oka land question in Quebec, plus other matters.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, on behalf of the Minister of Citizenship and Immigration, who has been giving diligent attention to this particular matter, I feel bound to raise the question as to whether a bill of this sort can be introduced by a private member without involving an expenditure of public funds. I have not seen the bill, as will be obvious, but may I make this reservation now and indicate that our concurrence in leave to introduce this bill is subject to that reservation.

Mr. Howard: If I may speak to the point of order raised by the minister, this bill does not involve a charge upon the crown because the court of Indian claims named is in reality the Exchequer Court of Canada. This bill would give additional powers to the exchequer court which it does not now have, in order that it may deal specifically with these problems.

Mr. Speaker: Then the possible objection that might be taken to the bill is reserved for consideration when the bill comes up again.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, surely a point of order that goes to the root of the matter as to whether or not the bill is to be received and dealt with by this house on the motion of a private member is one that cannot be postponed. Surely there has to be a determination of that point of order before the bill can be introduced.

It seems to me, therefore, that the better procedure is to leave the motion on the order paper, deal with the point of order and then determine, after the point of order is decided, whether or not the hon. member may have leave to introduce his bill. If the point of order is well taken, then the bill ought not to be received.

Mr. Speaker: Perhaps the hon. member's suggestion points to the better course. I would think, offhand, that the bill could be introduced and read a first time without committing the house to reading it a second time if objection taken later revealed that the bill was not in accordance with the rules of the house. But I think the hon. member for Ottawa West is correct in saying that it would be preferable not to have the bill read the first time by the house if there is some objection to be taken to it in the matter of form.

Therefore I would think that as the bill has not been seen by hon. members of the house it would be preferable to stand the motion until tomorrow, to give hon. members who are interested an opportunity to look at the bill. I have not the bill before me either, and I am therefore in the same position as other hon. members of the house. In fact I could not proceed with the matter without having the bill. I therefore suggest that this motion stand until tomorrow.

Mr. Howard: Mr. Speaker, perhaps I may say with respect to this matter that it raises the all-important question as to how hon. gentlemen can see a bill before it is introduced.

Mr. McIlraith: Mr. Speaker, if I may add a word, as I understand the point of order raised, concisely stated it is as to whether or not this proposed measure requires to be preceded by a motion on the part of the

government because it is a money bill, requiring the advice of the Governor General that he commends it to the house, under the provisions of section 54 of the British North America Act.

Mr. Speaker: The point taken by the mover of the bill was that it would not be printed and in the hands of hon. members unless the house gave leave to introduce it. That, I think, has some force. First reading of the bill does give permission for the bill to be printed and distributed and, as I indicated earlier, I see no obstacle to taking exception to a bill after it has been read the first time and before it has proceeded to second reading.

If the hon. member has his bill, perhaps the most convenient course would be to allow him to introduce it and have it read for the first time, if the house is agreeable. Then it will be in the hands of hon. members, and if they feel further objection should be taken they will be able to pursue the matter.

Mr. McIlraith: I understood that the procedure to be followed by a private member putting forward a bill was to take it up with the law clerk to see whether it was acceptable, whether it met the provisions of section 54 of the British North America Act and, presumably standing order No. 61 of our rules.

Mr. Speaker: Presumably that has been done, and it has proceeded thus far. Is it the pleasure of the house that the hon. member shall have leave to introduce the said bill?

Some hon. Members: Agreed.

Motion agreed to and bill read the first time.

INCOME TAX

AMENDMENT AND REVISION OF EXISTING LEGISLATION

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-82 respecting income taxes.

Mr. Chevrier: Explain.

Mr. Howard: This is intended primarily to bring the Income Tax Act up to date.

Mr. Speaker: Is it the pleasure of the house that the hon. member shall have leave to introduce this bill? Carried.

Has the hon. member got the bill? May I have it?

The bill appears to be a very lengthy one involving a substantial amount of printing, but it does not seem to make any change in the act as far as my examination has gone. I daresay there are changes, however, and I think by leave of the house I should like to reserve an opinion on this matter at the present stage and give it further consideration.

Mr. Howard: I think, with respect, that would not be a correct course to follow. I do not see how a reservation of that nature could be made. Situations similar to this have occurred a number of times before.

Mr. Speaker: I agree that the house has already authorized the hon. member to introduce his bill. I said "By leave of the house", and if the house does not give me leave I shall put the next question, which is that the bill be read the first time.

Hon. E. D. Fulton (Minister of Justice): Did I understand Your Honour to say that the house had already given leave? It seems to me that the leave the house might give would take into account the point raised by Your Honour, and if Your Honour feels that the bill should not be introduced until you have had a chance to look at it I doubt very much whether the house would be prepared to give its leave until you have had an opportunity to consider it further.

Hon. Lionel Chevrier (Laurier): Your Honour having decided on what seem to have been the facts in the first case, which are similar to those in this case, it seems to me that you are bound by the decision rendered with regard to the first case.

Mr. Fulton: The decision in the first case was altogether different. In that case I had entered a reservation with respect to whether or not the bill, entitled an act respecting the Canada court of Indian claims, could possibly be a measure which did not impose a burden on the public treasury. I felt we should not give first reading to a bill in that form without such a reservation; that we could make up our minds after we had had a chance to look at it.

With respect to this bill Your Honour has made simply a general reservation. I should think that Your Honour would like a chance to look at the bill before it is introduced into the house. This is, as Your Honour pointed out, by its appearance a bulky bill. We had experience last year, I recall, of a bill which purported to amend a statute and then did nothing of the sort; it merely re-enacted it. I do not know what the effect of this bill is. I raised the point at that time that such a bill was not properly before the house.

Your Honour has now said to us, on the basis of a quick look, that this bill does not appear to make any changes in the Income Tax Act. I certainly would not be prepared to give leave to the introduction of the bill about which Your Honour has expressed a

general reservation. Your Honour having expressed that reservation, I certainly think the house should wait until Your Honour reports back to us before deciding whether or not we are prepared to give leave.

Mr. Chevrier: Mr. Speaker, if I may be allowed one word, I must respectfully disagree with what the Minister of Justice has said. The test is not whether the bill is bulky; the test is whether or not it imposes a charge upon the treasury. If it is a charge upon the treasury it seems to me it ought not to be introduced, and Your Honour having ruled in the first instance this seems to me to be a case where Your Honour has to follow the original ruling or upset the ruling in the other case.

Mr. Fulton: No, Mr. Speaker; with respect the hon. gentleman has missed the point. No one was raising a point of order on this bill with respect to whether or not it was a charge on the treasury. That point is not raised here. But as Your Honour, looking at it, has expressed a reservation whether or not the bill is, generally speaking, in proper form, since the leave of the house is not a matter which should be automatically given, I think the house would wish to take the position that we do not give our leave until Your Honour has had the opportunity to report to us further on the bill for which leave is now sought.

Mr. Speaker: We have now proceeded past the stage of giving leave. The house has already given leave to introduce the bill. The house does not need to read the bill the first time. The subject matter is not debatable on the motion for first reading. The house has the option of accepting or rejecting the bill. This is rather a difficult choice for the house to make without having seen the bill.

Looking further at the papers submitted by the hon. member it appears to be a draft bill, as nearly as I can make out by a hasty examination, in appropriate form, with the Income Tax Act re-enacted with some changes here and there. In the circumstances I think I will do what has been said. I am obliged to proceed to the next stage and put the matter before the house by putting the motion.

Mr. Howard moves that the said bill be now read the first time.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, would you permit me to ask one question. When you speak about the bill making some changes in the act, does the bill purport to make changes in the rates of taxation? If so it must clearly be beyond the capacity of any private member to introduce.

Mr. Speaker: Perhaps the hon. member for Skeena could answer that question.

Mr. Howard: No, Mr. Speaker, that is not the case. It does not purport to make changes in the rates of taxation. I carefully examined into this question and as far as I am able to determine the bill does not offend any of the rules of the house and is in correct form.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Some hon. Members: No.

Some hon. Members: Agreed.

The house divided on the motion (Mr. Howard) which was negatived on the following division:

YEAS

Messrs:

Argue
Badanai
Benidickson
Caron
Carter
Chevrier
Clermont
Granger
Habel
Herridge
Howard
LaMarsh, Miss
Leduc
McIlraith
McMillan
Martin (Timmins)
Pickersgill
Regier
Robichaud
Tardif
Tucker
Winch—22.

NAYS

Messrs:

Aiken
Balcer
Baldwin
Baskin
Bell (Carleton)
Bigg
Brassard (Chicoutimi)
Broome
Brunsden
Campbell (Lambton-Kent)
Cardiff
Cathers
Chambers
Charlton
Chatterton
Churchill
Crouse
Danforth
Diefenbaker
Doucett
Drysdale
Dubois
English
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Royal)
Fournier
Frechette
Fulton
Grafftey
Green
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hanbidge
Harkness
Hicks
Horner (Acadia)
Horner (The Battlefords)
Howe
Jones
Jung
Keays
Korchinski
Legere
MacLean (Queens)
MacLean (Winnipeg North Centre)
Macquarrie
McDonald (Hamilton South)
McFarlane
McLennan
McPhillips
Mandziuk
Matthews
Milligan
Monteith (Perth)
Montgomery
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nasserden
Nesbitt
Nowlan
Pascoe
Payne
Phillips
Pigeon
Rapp
Regnier
Ricard

Questions

Rogers	Smith (Winnipeg North)
Sevigny	Southam
Skoreyko	Starr
Slogan	Stewart
Smith (Calgary South)	Villeneuve
Smith (Lincoln)	Weichel
Smith (Simcoe North)	Winkler—84.

Mr. Speaker: I declare the motion lost.

TRANS-CANADA HIGHWAY ACT

AMENDMENT TO PERMIT ADDITIONAL AGREEMENTS

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-83, to amend the Trans-Canada Highway Act (Canada highways).

Some hon. Members: Explain.

Mr. Speaker: I am sorry; the motion is defective. There is no bill attached to the motion. The motion is not complete, as there is no bill for introduction except a pro forma bill.

Mr. Howard: I have a copy of the bill here, sir. Its purpose is to amend the Trans-Canada Highway Act so that it will speak in terms of plural highways, rather than in the singular, to enable additional agreements to be entered into if desired. It does not touch upon the present financial limit provided for in the Trans-Canada Highway Act.

Motion agreed to and bill read the first time.

FREIGHT RATES REDUCTION ACT

AMENDMENTS EXTENDING APPLICATION AND INCREASING EXPENDITURE

Hon. Leon Balcer (Minister of Transport) moved that the house go into committee of the whole 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 Freight Rates Reduction Act to extend, but not beyond the 30th day of April, 1963, the period during which the revised rates under the said act shall be applicable and to increase the authorized expenditure under the act by an additional fifteen million dollars.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*INQUIRY INTO UNEMPLOYMENT INSURANCE COMMISSION

Question No. 317—**Mr. Fisher:**

1. What is the purpose of the inquiry into the unemployment insurance commission being carried on by the firm of Urwick and Currie?

[Mr. Speaker.]

2. What is the estimated cost of this inquiry, to what vote will it be charged, and on what date was its initiation approved by treasury board?

3. Was any consideration given to having the organization and methods service of the civil service commission carry on the inquiry now being conducted by Urwick and Currie; and, if so, what were the reasons that ruled out the use of this government agency?

Mr. Starr: The answer is lengthy and I would ask the permission of the house for it to be taken as read and inserted in *Hansard.*

Some hon. Members: Agreed.

[*Editor's note: The answer referred to above is as follows:*]

1. The purposes of the inquiry are:

(1) Take responsibility for the production of new time standards for measurable activities.

(2) Appraise the department's program for devising staffing standards for non-measurable activities.

(3) Train existing and newly acquired staff to produce work standards and carry out methods studies in the future.

(4) Devise a system for the collection and analysis of work load figures for the use of management in assessing the effectiveness of the various components of the organization.

(5) Advise on the role and size of the standards and methods division in the light of existing projects and on a suitable organizational framework within which to carry out this role.

2. (a) $43,500; (b) Vote 50 of administration of Unemployment Insurance Act; (c) December 15, 1961.

3. At the initial stage when the work to be done was considered, a representative of the civil service commission participated in the discussion. After exploring the situation it was decided that in view of previous commitments, the advisory services branch of the civil service commission could not make staff immediately available to undertake this task without jeopardizing the completion and success of other important projects.

*C.N.R. LETTER TO NON-OPERATING EMPLOYEES

Question No. 319—**Mr. Fisher:**

1. Has the Canadian National Railways issued to all its non-operating employees a letter expressing the company views on the breakdown in negotiations between the railway and the union representatives of the non-operating employees; and, if so, did the letter contain the statement that "no independent tribunal has ever endorsed the durable goods standard"; and what other comments may the letter have had on the durable goods standard?

2. Has the C.N.R. studied the following reports: Kellock (1950), Kellock (1952), Kellock and Sloan (1954), Taylor (1956), Thomson (1958), and Milvain (1960); with a view to ascertaining what the position of these tribunals was on the durable

goods standard; and, if so, does the C.N.R. consider that the positions were not an endorsement of the durable goods standard?

3. Did the C.N.R. put forward any standard in the recent negotiations; and, if so, what was the nature of this standard?

Mr. Balcer: The management of Canadian National Railways advise as follows:

1, 2 and 3. A conciliation board has been authorized by the Minister of Labour under the Industrial Relations and Disputes Investigation Act and the railway companies and unions have nominated their representatives on the board. When the board convenes the position of the Canadian National Railways will be stated.

T.C.A. LAY-OFF OF PILOTS

Question No. 320—**Mr. Fisher:**

1. Has Trans-Canada Air Lines laid off any pilots or co-pilots during the past two years (since March, 1960); and, if so, how many, on what basis, and for how long?

2. Are any of the pilots now laid off unlikely to be needed in the next five years by T.C.A.?

3. What alternative employment plans or arrangements have been made by T.C.A. for any of these laid off pilots?

Answer by: **Mr. Balcer:**

The management of Trans-Canada Air Lines advise as follows:

1. Yes; 98 pilots laid off indefinitely during 1961.

2. This question cannot be answered categorically but there is a possibility that those who were laid off and are still unemployed might be needed in the future.

3. Of those laid off, in substantial part because of the efforts of T.C.A., 47 have found employment with other air lines; 17 have been re-employed by T.C.A. in other capacities. It is also understood that 12 have found other employment and 16 have submitted outright resignations, while the status of the remaining 6 is unknown.

PERSONNEL, DRUG DISPENSARY, CAMP HILL HOSPITAL, HALIFAX

Question No. 321—**Mr. McWilliam:**

1. What was the number of staff personnel, with classifications, engaged in the drug dispensary at Camp Hill hospital, Halifax, N.S., in the year 1945?

2. What were the costs of staff salaries, and other operating costs, in the year 1945?

3. How many staff members are now engaged, and in what classifications, in the said dispensary; and what were the costs of staff salaries, and other operating costs, in the last year for which figures are available?

Answer by: **Mr. Churchill:**

Questions

Department of Veterans Affairs

1. Staff

Classification	Number
Dispenser	1
Packer and helper	1
Clerk 2	2
	4

2. Annual salaries of dispensary staff on March 31, 1945 totalled $5,304.

Other operating costs of dispensary for the year 1944-45 are not known.

3. Fiscal year 1960-61.

Classification	Number
Pharmacist 3	1
Pharmacist 2	1
Packer and helper	2
Clerk 3	3
	7

Dispensary staff salaries for the fiscal year totalled $29,849.

Other operating costs for the year were $2,655.

Note 1: In 1945, but not in 1960-61, the department had small dispensaries in the Cornwallis veterans hospital and the Cornwallis health and occupational centre.

Note 2: The hospital costing system at present in use in the department was not adopted until after 1945.

*WAR SERVICES OF NOVA SCOTIA PREMIER

Question No. 331—**Mr. Pickersgill:**

Did the Hon. Robert L. Stanfield, now Premier of Nova Scotia, serve the wartime prices and trade board or any other wartime agency during the late war; and, if so, in what capacity and for how long?

Mr. Balcer: Mr. Speaker, Hon. Robert L. Stanfield, now Premier of Nova Scotia, served on the wartime prices and trade board in the Halifax regional office from February 4, 1942 to November 13, 1945 first as rental officer, then as assistant enforcement counsel, and finally as enforcement counsel.

Mr. Pickersgill: A bureaucrat.

CANADA AND GULF TERMINAL RAILWAY, QUEBEC

Question No. 341—**Mr. Fisher:**

1. Has the Minister of Transport held conversations or other communications, written or oral, in 1962 with Mr. Jules Brillant of Quebecair and of Canada and Gulf Terminal Railway, with regard to transportation problems in Quebec, and more particularly, relating to Gaspe and the south shore of the St. Lawrence?

2. If so, was any offer made or received by either regarding the sale or lease or rental of running rights of Canada and Gulf Terminal Railway?

Questions

3. Did the minister give any undertaking to Mr. Brillant on when the government would be prepared to buy Canada and Gulf Terminal Railway or have the Canadian National Railways buy it?

Answer by: **Mr. Balcer:**

1. No.

2. Answered by No. 1.

3. No.

*EXTERNAL AID TEACHING ASSISTANCE, UNDER-DEVELOPED COMMONWEALTH COUNTRIES

Question No. 346—**Mr. Fisher:**

Has the external aid office in hand, or under consideration, any program of teaching assistance for undeveloped countries of the commonwealth, which would centre on the use of Canadian secondary, vocational, and university teachers in a crash, summer program, taking advantage of holiday release in Canada; and, if not, why not?

Mr. Green: The requests which have been received from the less developed commonwealth countries for assistance from Canada in the teaching field have all been for persons who are prepared to serve abroad for a year or more. The cost of sending teachers overseas for short periods would be very high in relation to the assistance they could render in a limited period, and Canadian teachers would probably require a disproportionate amount of time during a short assignment to become familiar with local conditions. For these reasons the external aid office is not contemplating at present a program of the kind referred to and it is considered that the funds available for this form of Canadian assistance can be more effectively used in meeting requests for teachers for longer assignments.

*TEACHERS' APPLICATIONS, EXTERNAL AID OFFICE

Question No. 347—**Mr. Fisher:**

1. How many applications has the external aid office received from teachers in Canada for service abroad in undeveloped countries during the school year, 1962-63?

2. What is the breakdown of applicants by subject and province?

3. How many of the applicants are being placed abroad for the coming school year?

Mr. Green: Mr. Speaker, the answer to this question contains a series of figures. Perhaps the answer could be printed in *Hansard*.

Mr. Speaker: Is it agreed that the answer to this question be printed in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: The answer referred to above is as follows:*]

[Mr. Fisher.]

1. From 1st September, 1961 to the 15th March 1962, 337 applications have been received.

2. Provinces

British Columbia	68
Alberta	49
Saskatchewan	31
Manitoba	18
Ontario	68
Quebec	86
New Brunswick	6
Nova Scotia	6
Prince Edward Island	0
Newfoundland	1
Northwest Territories	4

Subjects

Mathematics and science	112
Technical	35
Elementary	34
Teacher-trainers and Administrators	18
Others including languages, social studies, commerce, history, physical education	138

3. As selection and placement is still in progress the total number to be sent abroad is not yet known.

CIVILIAN STAND-BY DUTY AND PAY GRIEVANCES, NAVAL AMMUNITION DEPOTS

Question No. 348—**Mr. McWilliam:**

1. Has the government given consideration to the grievance raised over the present system of stand-by duties and pay practices related thereto, of civilian duty officers at Canada's naval ammunition depots; and, if so, has a decision been reached?

2. If no decision has been reached, when is it expected that a decision will be reached?

Answer by: **Mr. Chambers:**

1. A thorough review is being conducted with regard to the present requirement for civilian duty officers at Canada's naval ammunition depots, together with the present system of stand-by duties and pay practices related thereto. No decision has been reached as of this date.

2. A decision on this matter may be expected shortly.

*MINIMUM RATE CLAUSE, TENDERS FOR TRUCKING GRAVEL

Question No. 349—**Mr. McWilliam:**

Has the government given consideration to the inclusion of a minimum rate clause in federal

government, or federal crown company, public tenders, at rates now established by respective provincial governments, as it appertains to the trucking of gravel, or like material, by individually owned trucks engaged by the prime contractor, or subcontractor, in the trucking of gravel, or like material, owned or purchased by the prime contractor or subcontractor; and, if so, what decision has been reached?

Mr. Starr: The answer is no, in so far as the Department of Labour is concerned.

*LOSS OF PRODUCTION TO PAPER MILLS

Question No. 360—**Mr. Fisher:**

1. In the consideration given by the government to measures which would improve the position of Canadian periodicals, as announced previously in the House of Commons by the Prime Minister, what estimates have been made on the probable loss of production to paper mills which now supply the requirements of *Reader's Digest* and *Time* magazine?

2. Does the government consider that the loss of production will be balanced by increased use of paper by Canadian publications; and, if so, what is the period of time involved in which the government estimates that this adjustment will take place?

Mr. Fleming (Eglinton): No. 1, no loss of production has been anticipated. No. 2, not applicable.

LOT 18, JUNCTION GORE, GLOUCESTER TOWNSHIP

Question No. 362—**Mr. McIlraith:**

Was an independent valuation obtained by the national capital commission of part of lot 18, Junction gore, Gloucester township, which was sold to Principal Investments Limited, as appears in sessional paper 194, tabled February 14, 1962; and, if so, what firm or firms made the valuation, and what is the amount of such valuation and the date of its receipt by the department?

Answer by: **Mr. Green:**

No.

PUBLIC WHARF, YARMOUTH, N.S.

Question No. 364—**Mr. Pickersgill:**

Is a public wharf being built at Yarmouth, Nova Scotia; and, if so, (a) on what date is the work to be completed (b) how many men are employed on this undertaking (c) what categories of labour are employed, and at what rates of wage?

Answer by: **Mr. Green:**

Yes; (a) May 14, 1963; (b) 29; (c) Labourers, $0.95 per hour; Timbermen, $1.10 per hour; Machine operators, $1.50 per hour; Firemen, $1.50 per hour; Foremen, $75.00 per week; Welders (on piece work); 1 clerk (contractor not obliged to provide wage rate).

FEDERAL DRAINAGE AND ROAD EXPENDITURES, PARENT, QUE.

Question No. 368—**Mr. Herridge:**

1. What was the total cost to the federal government of all works connected with (a) drainage (b) roads, in the town of Parent, P.Q., in 1959?

2. What was the nature of and reasons for the work?

Questions

3. Has the corporation of the town of Parent reimbursed the federal government for any of this drainage and/or road work carried out in 1959?

Answer by: **Mr. Chambers:**

1. (a) and (b) $42,792.92 of which the village of Parent is responsible under an agreement dated June 17, 1958 to contribute 25 per cent.

2. The work involved reshaping and drainage improvement, compaction, and applications of a levelling course and cold mix asphalt to the approximately one mile of municipal roadway forming part of the access road to R.C.A.F. station Parent. The project was undertaken in recognition of the degree of usage attributable to the Department of National Defence and because of the inability of the municipality to assume the entire cost from its own resources.

3. No.

FEDERAL GRANTS TO SASKATCHEWAN, 1956-61

Question No. 369—**Mr. Herridge:**

What were the total federal government grants, broken down by categories, to the province of Saskatchewan in (a) 1956 (b) 1961?

Answer by: **Mr. Fleming (Eglinton):**

Federal government grants under conditional grant programs:

	(a) 1956-57	(b) Preliminary 1961-62
	(in thousands of dollars)	
Agriculture	$ 30	$ 990
Health	2,095	2,600
Hospital insurance		15,900
Welfare	2,199	6,487
Vocational training, etc.	340	1,284
Highways and transportation	2,919	93
Resource development	49	1,465
Civil defence	49	162
Municipal winter works		1,299
Other	42	
	$7,723	$30,280

LOW RENTAL HOUSING, THOMPSON, MAN.

Question No. 370—**Mr. Herridge:**

Has the Prime Minister received a letter dated March 23 from Mr. Ken Woods, financial secretary of the Thompson and district mine, mill, smelter and refinery workers union asking that an immediate solution be found to the urgent requirement for low-rental housing in Thompson, Man.; and, if so, what answer has been given?

Answer by: **Mr. Diefenbaker:**

Mr. Speaker, the answer to the first part of the question is yes. The answer to the second part is, Mr. Woods was informed that the views of the membership of Thompson and district

mine, mill, smelter and refinery workers union were noted. I should point out that the letter has to do with certain apartment blocks which are owned by a private company, and as such any control over rental must necessarily be within provincial jurisdiction.

QUESTIONS PASSED AS ORDERS FOR RETURNS

AID TO CANADIAN CONFERENCE OF ARTS, 1961

Question No. 248—**Mr. Fisher:**

1. What support, if any, did the federal government give through any of its departments, corporations, etc., to the Canadian conference of the arts (1961)?
2. What form did this support or aid take?
3. What civil servants or officials attended the conference at government expense?

C.P.R. TRESTLE, FALSE CREEK, B.C.

Question No. 329—**Mr. Taylor:**

1. Has the Department of Transport requested the Canadian Pacific Railways to remove its trestle across False Creek in Vancouver, B.C.?
2. Does the trestle impede navigation?
3. What is the depth of water at the opening of the trestle at low-water mark?
4. What would be the approximate cost of the removal of the trestle and the re-location of the railway lines to the easterly end of False Creek?
5. Has the national harbours board made a study of the cost of removal and re-location?
6. If the trestle impedes navigation, what can the national harbours board do about the matter?

*J. LOUIS LEVESQUE, C.N.R. DIRECTOR

Question No. 343—**Mr. Fisher:**

1. How long has Mr. J. Louis Levesque been a director of the Canadian National Railways?
2. What are his educational qualifications?
3. Has he any positions or directorships with any other companies or corporations; and, if so, what are they?

AIRPORT TERMINAL SERVICES FOR COMMERCIAL AIR LINES

Question No. 350—**Mr. Fisher:**

1. At how many, and what airports, in Canada does the Department of Transport provide terminal services for commercial air lines (including Trans-Canada Air Lines)?
2. What was the revenue at each of these airports in the fiscal years 1959-60 and 1960-61?
3. How much of this revenue came from commercial air lines?
4. What was the cost, where determinable, in these years at each of these airports to the government?
5. How many employees of the department were employed at these airports in these years on work that has direct relationship to commercial air line operations?

*TRANSPORT DEPARTMENT BUSINESS WITH AIRCRAFT BUILDERS AND REPAIR COMPANIES

Question No. 356—**Mr. McMillan:**

1. Does the Department of Transport do business with aircraft builders and repair companies; and, if so, for what purposes?
2. Are tenders called for this work?
3. How many such companies did work for the department since 1957, what were their names, and in what amounts?
4. Under what division of the department does such work fall, and who is the superintendent of this division?

*TRANSPORT DEPARTMENT PURCHASE OF PLANES

Question No. 357—**Mr. McMillan:**

1. Since 1957, how many planes were purchased by the Department of Transport at Ottawa, at what price, and what kind of aircraft?
2. Did the Department of Transport purchase a new jet Star recently, and at what price?
3. If it is not being used at the present time, why not?
4. Were repairs made to it recently; and, if so, why were these repairs required, and in what amount?

LOCK SYSTEM, TRENT CANAL

Question No. 378—**Mr. McWilliam:**

1. What is the volume and classification of traffic that made use of the two locks in the Trent canal system at Fenelon Falls, Ontario, in 1961?
2. What is the maximum and minimum drafts of the boats which made use of these locks in 1961?
3. What is the total estimated cost of the lock now under construction to replace the two present locks?

POWER

COLUMBIA RIVER—REQUEST FOR REPORT ON MEETING WITH B.C. PREMIER

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I would like to direct a question to the Minister of Finance. First I would like to welcome him back to the house after his trip to the British Columbia coast. I would like to know whether the minister has a report to make concerning his love feast with the premier of British Columbia.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I thank the hon. member for his somewhat dubious welcome back to the house. It is refreshing to note that when one is away for just two days his absence is so directly noted. I think that on the basis of this standard the hon. member's seatmate and some others deserve a roaring welcome.

Mr. Fulton: But they may never be back.

Mr. Fleming (Eglinton): I have received from the hon. member for Kootenay West (Mr. Herridge) a letter indicating his intention to ask me the following question this afternoon:

Has the minister a report to make to the house on his meeting last week with the premier of British Columbia concerning the Columbia?

I presume that these two questions relate to the same matter, although in one case the

meeting was described as a meeting and in the other case it was described by the hon. member opposite as a love feast. That is his expression.

I had a very good meeting indeed with Premier Bennett in Vancouver last Thursday afternoon. As in the case of the two meetings which we had held in Ottawa within the previous fortnight, the meeting was held in a very friendly atmosphere. We were discussing questions in relation to the development of the Columbia river.

I think I should not at this time go beyond saying that the premier and I plan further meetings, and also that the effort of the federal government in this matter is directed to do everything that it possibly can to get this great undertaking moving.

Mr. Chevrier: A supplementary question. In the light of the answer which the minister has given, is the minister not able to give the house some further details of these discussions; because after all the premier of British Columbia and he greeted each other not so long ago with the words "Hail Columbia".

Mr. Fleming (Eglinton): Mr. Speaker, the answer to the question is yes, I could.

Some hon. Members: Oh, oh.

Mr. Chevrier: Then why does not the minister do it?

Mr. Pickersgill: Concealment.

INDUSTRY

FEDERAL REPRESENTATION AT CONFERENCE OF CONSUMERS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Prime Minister. In view of the announcement by Mrs. A. F. W. Plumptre, national president of the Consumers Association of Canada, that the association will hold a consumers' conference at Queen's University, Kingston on June 18 and 19, and in view of the sessions that will be held on such important subjects as advertising, anti-combines legislation, consumer product testing, retail distribution and consumer protection, can the Prime Minister inform the house whether he will ensure that the government has observers at this important conference?

Right Hon. J. G. Diefenbaker (Prime Minister): I doubt whether the question is of such paramount importance that it should be asked on the orders of the day. It has to do with the month of June, in which there has been considerable interest. The government will be able at that time to ascertain whether or not the consumers league and the subjects which will be discussed are of such importance as to require the presence of an observer.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I might direct a related question to the Minister of Agriculture, and ask him if he will arrange to have butter served at that conference.

BUSINESS OF THE HOUSE

INTRODUCTION OF AMENDMENTS TO LORD'S DAY ACT

On the orders of the day:

Mr. William Skoreyko (Edmonton East): I wish to direct a question to the Minister of Justice. Is it the intention of the government to introduce at this session amendments to the Lord's Day Act?

Hon. E. D. Fulton (Minister of Justice): Representations on this subject have been received from time to time, and these representations indicate clearly that views as to what changes should be made vary very widely depending on the area from which they come and also on the traditions and background of the organization or individual from whom they are received. This whole question has been carefully considered, both in general and in the light of individual representations, and the conclusion is that it would not be appropriate or desirable to bring in amendments to the Lord's Day Act at the present session.

Mr. Skoreyko: A supplementary question, if I may. Has any such consideration taken into account the question of coin operated laundries and other activities which are of vital importance on the eve of the opening of the 1962 tourist season?

Mr. Fulton: Yes, these considerations have taken into account the situation with regard to coin operated laundries and other activities. The scheme of the Lord's Day Act is that the basic law respecting Sunday observance is of general application but variations from the general law may be enacted by the provincial legislatures so as to reflect regional or local views and requirements in respect of particular activities. Thus the provincial legislatures may, under section 4 of the act, provide exemptions from the prohibition against the transaction of business on Sunday, and under section 6 provide exemptions from the prohibition against conducting games and performances where an admission fee is charged. The situation with regard to coin operated laundries and other coin operated machines would appear to be essentially one that can be more suitably dealt with on a local basis by

the provincial legislatures, which are now all in session, without making an amendment of general application to the Lord's Day Act.

DIVORCE—INQUIRY AS TO PROCEDURAL REFORM THIS SESSION

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to inquire of the Minister of Veterans Affairs in his capacity as leader of the house if he is in a position to say whether or not legislation or ideas will be introduced at this session dealing with the question of parliamentary divorce reform.

Hon. Gordon Churchill (Minister of Veterans Affairs): Some consultations and discussion have been going on with regard to this matter. If and when I have an announcement to make I will let the hon. member know, and the house as well.

SHIPPING

LABRADOR—USE OF ICEBREAKER TO AID SEALING SHIPS

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I should like to direct a question to the Minister of Transport. Would the minister please advise the house whether he has received requests for assistance by sending an icebreaker to penetrate the ice off the Labrador coast so the sealing ships may pick up the thousands of seals which have been killed and panned.

Hon. Leon Balcer (Minister of Transport): I am able to advise the house that one of the Canadian coastguard's large icebreakers is in the area to help sealing vessels get through the ice.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I should like to ask the Minister of Finance a question. While I have not given him notice, I think by reason of its timeliness he may have anticipated it. I wonder if it is the intention of the minister to introduce a budget during the present month.

Hon. Donald M. Fleming (Minister of Finance): I would have been happy to be able to deal with that subject long before this, and I am sure I would have done so had there not been so much everlasting obstruction and delay on the part of hon. members opposite with regard to the supplementary estimates.

[Mr. Fulton.]

Hon. Lionel Chevrier (Laurier): The Minister of Finance has repeatedly stated—

Some hon. Members: Question.

Mr. Chevrier: —that there has been obstruction from this side of the house, and the point of privilege to which I have risen is this. I repeat what I have said before, namely that the obstruction has come from the other side of the house; because had they wanted to deal with the estimates they could have so indicated on Friday. But the leader of the house decided to deal with legislation today instead.

Mr. Fleming (Eglinton): I fail to see any question of privilege in the gratuitous observations just made by the hon. member. The fact is plain for everyone to see. If hon. members opposite had been satisfied with anything like the normal time for the review of supplementary estimates we should have been weeks further ahead with the government's program of legislation at this session than we are.

Mr. Chevrier: I should like to ask a supplementary question.

Mr. Speaker: Before the hon. member does so, may I say that this discussion is very reminiscent of one that took place two days ago. There have been gratuitous observations in questions and gratuitous answers which naturally lead to these discussions. I think the hon. member should limit his question to the business of the house.

Mr. Chevrier: I shall be glad to do so. That is what I had in mind. Is the minister aware that on Thursday of last week for a period of two hours this house discussed procedural points on a motion made by my hon. friend from Essex East to hold over the estimates of the Department of External Affairs, and the next day that request was granted by the government?

Mr. Speaker: Order. The hon. member for Laurier is asking a question to which all hon. members have the answer through the proceedings in the house and reports in *Hansard*. They can form their own conclusions.

Mr. Fleming (Eglinton): May I comment on this?

Mr. Speaker: Comment is unnecessary, as the question relates to transactions which are recorded in *Hansard* and which all hon. members can read for themselves.

Mr. Chevrier: The reason for the delay is the incompetence of the government.

NATIONAL ENERGY BOARD

REPORTED RESIGNATION OF SECRETARY

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I have a question to ask the Minister of Trade and Commerce. In his absence may I direct it to the acting minister, who may take it as notice. Can the minister advise the house whether the secretary of the national energy board has recently tendered his resignation and, if so, what were the reasons for such action?

Hon. Gordon Churchill (Acting Minister of Trade and Commerce): I shall take the question as notice.

COMMUNICATIONS

INQUIRY AS TO AVAILABILITY OF TWO-WAY RADIOTELEPHONE SERVICE

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of Transport. Is the minister in a position to inform the house when the government is going to make general service band two-way radiotelephone communication available to the general public, which was to have been done months ago. And can the hon. gentleman explain the reason for this delay, which is causing hardship and confusion in the electronics industry?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, whenever an announcement can be made it will be made in the house.

INDIAN AFFAIRS

PROPHET RIVER RESERVE, B.C.—REQUEST FOR REPORT ON INVESTIGATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wish to direct a question to the Acting Minister of Citizenship and Immigration or to the Minister of National Health and Welfare, whichever one of them may prefer to reply, and inquire whether there has been any report on the investigation into the situation on the Indian reserve near Fort Nelson, British Columbia.

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, on Friday I indicated to the house that I had directed that an immediate investigation be made into the problems that were reportedly being faced on the Prophet river Indian reserve in British Columbia.

This morning my department received a telegram from the regional superintendent of Indian and northern health services in Vancouver. This stated that the provincial health officer in charge of the Peace river health unit, who acts for us by arrangement, had visited the reserve last Saturday. He found no evidence of starvation, and reported that the three persons placed in hospital with hepatitis two weeks ago were now home again.

The only evidence of more recent illness apparently involves a number of influenza cases. The health officer indicated that residents of the reserve were concerned over the publicity that had appeared, and felt that the situation had been greatly exaggerated.

Mr. Pickersgill: Is the minister quite satisfied that the situation is well in hand?

Mr. Monteith (Perth): I have just given the report which I received by telegram this morning, and I shall certainly continue to look into the situation.

CROP INSURANCE

REQUEST THAT PLAN BE PUT ON ACTUARIAL BASIS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Agriculture based on a pamphlet issued by his department. In view of certain deficiencies in the present crop insurance scheme and in view of the necessity of providing over-all crop insurance for all farmers, has the minister considered bringing in amendments to the Crop Insurance Act to ensure that the plan may operate on a sound actuarial basis without undue burden on the provinces?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I wish to thank the hon. member for being so courteous as to send me a copy of his question before the orders of the day.

The answer to the question is as follows. Discussions were held last year with several of the provinces concerning amendments to the Crop Insurance Act so as to help those provinces where crops were grown which might add to the liability of the province beyond their ability to pay. The results of those discussions have been brought together and a proposal is now before my colleagues in the government. When a decision is reached it will be announced.

LABOUR CONDITIONS

BELL ISLAND, NFLD.—LAY-OFFS OF MINERS

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, may I direct a question to the Minister of Labour. Would the minister advise whether the national employment office in Newfoundland has completed interviewing

miners who were affected by the March 25 Dosco lay-off at Bell island? If so, is the minister in a position to make a statement on this subject?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, in order to answer that question I will have to obtain a report from the unemployment insurance commission.

FREIGHT RATES

PAYMENTS TO RAILWAYS IN REDUCTION OF CHARGES

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport. In the light of the legislation which he is introducing today I should like to ask the minister how much of the $50 million payment referred to in vote No. 590 of the supplementary estimates paid to the companies as defined in the Freight Rates Reduction Act is being paid to the railway companies in reduction of freight rates?

Mr. Speaker: Have those estimates been called?

Mr. Chevrier: Yes, Mr. Speaker.

Mr. Speaker: The question relates to the estimates. It is not usually the best practice to deal with information at this time of the day in an oral way when such information properly can be brought out on the estimates, particularly when the question asks for statistical information. I should think the hon. member could deal with that point more satisfactorily on the estimates or on the order paper.

Mr. Chevrier: Mr. Speaker, I was just wondering whether I would be out of order in dealing with it at a later date. Since it is an estimate which was passed prior to March 31, 1961, I thought perhaps if the minister were not able to answer it now he might take the question as notice and answer tomorrow.

Mr. Murphy: Mr. Speaker—

Mr. Chevrier: I think the minister was about to answer.

Hon. Leon Balcer (Minister of Transport): No, Mr. Speaker. If I were to reply I would merely say that this is a question for the order paper if there ever was one.

SPORTS

OTTAWA—CONSTITUTION OF PROPOSED RACE TRACK

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, may I put a question to the parliamentary secretary to the Minister of Finance, and ask the hon. gentleman whether he has ascertained, as he undertook to do when we were in committee, whether the proposed new race track in the neighbourhood of Ottawa had satisfied the government that it was properly constituted and had a proper charter?

Mr. Richard A. Bell (Parliamentary Secretary to the Minister of Finance): I have had no report as yet, Mr. Speaker.

JUDGES ACT

AMENDMENT TO PROVIDE FOR ADDITIONAL ONTARIO JUDGES

Hon. E. D. Fulton (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Judges Act to provide salaries for two additional judges of the trial division of the supreme court of Ontario and seven additional judges of the county and district courts of Ontario including one chief judge.

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

Mr. Fulton: Mr. Chairman, I think I should say only a word in introducing the resolution, which is largely self-explanatory. I have satisfied myself by discussions with the attorney general of Ontario and reports I have received from him that there is a need for this measure increasing the number of judges in that province, a need with respect both to the trial division of the high court and the district and county courts of Ontario.

The provision for a chief judge is one which personally commends itself to me, and I think will commend itself to the house, as a measure which is being introduced into the administration of the system of courts in Ontario designed to further the better and more expeditious dispatch of business in those district and county courts. In Alberta, for instance, there is a similar provision which has been in existence for some time. There are, in fact, two chief judges there, one of the northern and one of the southern districts. They direct in general the operation of the courts within those districts, and the system has worked well and efficiently.

With respect to the trial division of the high court, hon. members will be aware, of course, of the recent appointment of Mr. Justice Wilson as chief justice of Cyprus, an appointment which brings honour and credit to Canada and its judiciary as well as to the judge himself. Mr. Justice Wilson has accordingly been granted leave of absence without pay. It is anticipated that his appointment will last for six years. This then leaves the high court short one judge for

that period, and this situation will be taken care of by one portion of the amendment now before the committee. In addition there is in my view need for a further judge, so that the amendment provides for two additional judges of the high court.

As hon. members will see when it is distributed, if the committee approves the resolution, the bill will be in the standard form of a bill for this purpose with the exception only that it will come into force on proclamation. The reason for this provision is that there is some urgency about this situation. I was advised by the attorney general of Ontario that they were in fact proceeding with the introduction of the necessary legislation into their house, and I was requested to make the necessary provision here as soon as possible. Normally we wait until the legislation has gone through the provincial legislature before introducing it here. In view of the representations I received and with which I concur as to the urgency of providing these additional appointments, I undertook to introduce our legislation at once on the basis that we would insert the provision for proclamation so that it would not go into effect until after the appropriate legislation has gone through the Ontario house.

That legislation has been introduced. I am not certain whether it has yet been carried, but I understand it is well on its way through the Ontario legislature.

Mr. McIlraith: Mr. Chairman, I think hon. members will agree that with the growth in population of the province of Ontario and the accompanying increase in business and volume of litigation, it is necessary that there be some addition to the judiciary. Whether the figure should be two additional judges of the trial division of the supreme court of Ontario, or one or three or five, I would consider something that could be argued at great length and I do not propose to do that at the moment, because it would appear, at least on the surface, that two is a reasonable number as it relates to the present constitution of that court.

The additional judges being provided for the county and district courts of the province are required not only because of the growth to which I have referred but also because of the increase in jurisdiction of the county courts. To the extent that that increase in jurisdiction takes away work from the trial division of the supreme court it has a bearing on the number to be added to the trial division of the supreme court and, of course, on the number of county judges to be added.

The situation in the county court judiciary has not been a happy one for some years, basically because of the fact that in some counties in which there is a large population the work load has increased rapidly, while in other counties the work load has remained static or has decreased. Not always has the rearrangement of the service of the county court judges and the making of them available to certain of the cities in which the increase has been large kept pace with the changes in the distribution of population within the province. A real problem exists there, but it is largely within the jurisdiction of the province. As far as the federal authority is concerned, it can merely provide the number of judges required by the province. A real problem exists there but as I say, it is largely the concern of the provinces. However, it is one which perhaps needs more thorough attention than it is getting.

Basically, for the older part of Ontario, the boundaries of the counties are those which were set up some 114 years ago. There has been little significant change in them since that time. Hence some real problems exist. However, as I say, they are within the jurisdiction of the provinces and I therefore do not propose to develop a discussion on them other than to indicate the nature of the problem. I mention it here in the hope that it will receive more consideration than it has received in the past.

There is one other question that arises out of this resolution. I think all hon. members will agree that under our system of government, respect for the judiciary is of the utmost importance. By and large over the years our reputation in this country for having a competent, wholly impartial, hard working and fair judiciary is very good. I think all hon. members will agree that is the case by and large in the country. However, a situation is developing here which requires us to ask ourselves this question. What is the use of increasing the number of judges if the situation among them, by reason of inadequacy of pay, is such that we are not going to have the best persons available for appointment to fill these vacancies? That is a question on which I feel very strongly, and it is one that is germane to this particular resolution.

The county court judges' salaries have not been increased since 1955. They are substantially below those of most of the solicitors in the minister's own department, except the very junior ones. The legislation requires that a county court judge, to be eligible for appointment, must have 10 years' experience in practising his profession. Yet we pay him on a lower basis than that on which we pay his counterpart who enters the civil service as a junior out of law school. We may well

ask ourselves whether it is serving any useful purpose to increase the number of the judiciary if we are going to leave the other half of the problem undealt with and the situation such that the government cannot get the type of competent, experienced personnel required to accept these appointments.

The situation with respect to the trial division of the supreme court of Ontario is equally bad. It is now a case of a person appointed to this division having to take a reduction in earnings in order to accept the appointment. The pay level is such that if these persons have a family at a stage where they are seeking to educate them, it is impossible for them to take the appointment unless they have outside means.

That is not a desirable situation. It means that in considering persons for appointment the government have available to them only older men who are past the stage of active practice and are looking to the appointment as an end to their professional careers rather than as an opportunity for undertaking great new work which should be held in the highest repute in the profession, as indeed it is. That situation is one that causes a good deal of alarm at the present time.

I was happy to hear the minister make reference to the appointment of one of the members of the trial division of the supreme court of Ontario to the position of chief justice of Cyprus. That appointment tends to emphasize the high repute in which our judiciary have been held in the past in this country, and indicates the background of the general reputation of the judiciary in the province. I would hope that the minister would see fit to deal with this matter of the inadequacy of pay of the judiciary so that the high reputation which has been enjoyed up to the present time by our judiciary can be continued in the future and so that, by reason of inadequacy of pay, he will not be obliged to appoint persons with lesser qualifications than we would wish them to have.

It seems to me that respect for the judiciary is an inherent part of the effective function of our whole system of government. That being so we must by our legislation, and the government by its action, take all steps that will ensure that the judiciary will command that respect. If we are to continue the underpayment of the judiciary, as we are doing now, we are in danger of appointing persons who are less well qualified and who will not command that respect which the judiciary has always had.

I might add that I am somewhat at a loss to understand why this urgent problem has not been dealt with, particularly in view of the fact that at least two major upward revisions of public service salaries and pension legislation have taken place since the judges' salaries were last examined. No explanation at all has been given as to why this deplorable omission has occurred. I ask the minister to explain, before the resolution carries, how he hopes to have a relatively wide choice of qualified persons for consideration for appointment on the present pay level. I would hope that he would give a thoroughgoing answer to that problem.

Mr. Fulton: Perhaps I should say another word on this because I find I inadvertently misled the committee when I said the bill will contain a provision for coming into effect on proclamation. This is what we had intended when the measure was first considered, but I had overlooked the fact that on giving it further thought we came to the conclusion, since no appointment could be made in any event until the legislation is introduced in the Ontario legislature, that it was not necessary to put in the provision for proclamation. I am sorry that I overlooked that fact when I spoke on introducing the measure.

I appreciate what the hon. member for Ottawa West has said both in respect of the quality of the judiciary and in respect of the problem in connection with salaries. Indeed, it gives me an opportunity to say that I am constantly amazed at the quality of those who are prepared to accept judicial office in view of the fact that the remuneration, as the hon. member has suggested, might well be reviewed at the appropriate time.

However, he is not quite correct in assuming, as he appeared to do, that county and district court judges of Ontario receive only the remuneration mentioned in the Judges Act. As the hon. member well knows, the fact is that they act as surrogate judges, and under various other headings they do receive supplementary remuneration bringing the general level of salaries to around $14,000 or $15,000. I am not for a moment pretending this is generous. Indeed, as my hon. friend knows, I have given consideration to and still have under consideration the question of judicial salaries. I feel, however, that this question should await the general revision of the Judges Act which I have in mind and upon which we are still working.

I do want to say, however, that I am quite confident that although I am giving consideration to the question of the revision of salaries and other revisions of the act, there need be no doubt as to our ability to secure first class men for appointment to these vacancies. It is a feature of the respect in which our judiciary is held and the tradition of our bar that—although I make no pretense of suggesting that those who accept appointment at

these salaries do not make substantial sacrifice in terms of their present income—there are well qualified persons who are prepared to accept these appointments. Sometimes they take some urging. I think the committee well knows that the question of the revision of salaries is under consideration, but it has not been possible at the present time to make any specific move in that direction.

Mr. McIlraith: There are two points arising out of the minister's reply with which I should like to concern myself. The first has to do with other employment of the judiciary. It is quite correct to say that county court judges supplement their income by taking other employment.

Mr. Fulton: I do not believe those were the words I used. I said there was remuneration in the capacity of surrogate judges and similar capacities in addition to the salary provided under the Judges Act.

Mr. McIlraith: I am most anxious to use the language the minister used because I do not wish to interpret his language in any other way than it was intended to be interpreted. The point is that today many of the county court judges supplement their income by other means than the additional salaries some of them get from the provinces for acting as surrogate court judges, police commissioners in certain cities along with the mayor of the city and chief magistrate, and so on. Many of them receive additional income from outside employment by acting as arbitrators or in other employment under the various labour legislation provisions. This takes them away from their judicial work, and a very nice question arises as to whether county judges should be encouraged to do that sort of thing in order to earn a living.

It is not desirable, from the point of view of judicial work, that they be taken from that judicial work to perform these other duties which, in the main, are connected with labour disputes but may relate to other types of arbitration as well. As a matter of fact I believe the trade unions call this practice of having two jobs moonlighting. I do not believe this practice is helpful in maintaining the kind of standard in the profession that it is desirable and indeed necessary to maintain. I interpret the minister's explanation as an additional reason for dealing with the question of judicial salaries promptly.

I thank the minister for his explanation about proclaiming the act, which I take it from his remarks will come into force upon receiving royal assent rather than at a date to be set by proclamation. This raises a very interesting proposition. It means that the minister is coming before this committee and asking us to pass legislation that may never be required. In other words he is dealing with this legislation in quite a different manner than the accepted practice. The accepted practice has been for the province to pass the necessary provincial legislation setting up the requirement for additional judges; then the federal authority makes provision for the appointment of those judges. The minister wants now to reverse the practice without an adequate reason.

There are a great many conjectures one could make as to his reasons for adopting an improper practice of this type and taking up the time of the committee in passing legislation that may never be required. This government has been raising at all times recently and even earlier today, the question of wasting time in this house, so I feel it exceeding strange that the minister should be making this request. Perhaps the minister should plead guilty at once to wasting the time of the house by presenting the legislation that may never be required.

Be that as it may, I think a more practical reason for the introduction of this measure in this unusual way is that the minister fears dissolution of the house, and would like to make the appointments before dissolution knowing that the government will be changed. If I make more assumptions on that subject I may be ruled out of order by the Chair; however, I suggest perhaps that is the real reason for the minister proceeding in this improper way. I must say that this is one of the best examples we have had of a government, which complains about the time of the house being taken up improperly, taking up the time of the house improperly itself. The minister, having made his explanation, now may wish to defer the bill until after the provincial legislation has been passed.

Mr. Fulton: That, I think, would have been to waste the time of the house improperly. I might add that the fear does not reside on this side of the house; it is over there.

Mr. McIlraith: Not fear; we welcome it.

Mr. Pickersgill: There is one point which deserves to be underlined. It was the last point made by the hon. member for Ottawa West. The opposition has been attempting, although I confess not very successfully, to keep down expenditures in this country by its efforts in this house, but here we are instead dealing with a hypothetical measure about which the legislature will do something sometime.

Resolution reported and concurred in.

Mr. Fulton thereupon moved for leave to introduce Bill No. C-84, to amend the Judges Act.

Motion agreed to and bill read the first time.

CORPORATIONS AND LABOUR UNIONS

PROVISION FOR FURNISHING OF FINANCIAL AND OTHER STATISTICS

Hon. E. D. Fulton (Minister of Justice) moved the second reading of Bill No. C-38, to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada.

He said: The purpose of this bill, Mr. Speaker, is "to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada." The speech from the throne mentioned that parliament would be asked to consider legislation on this subject during the present session.

This is an extremely important bill, and it forms an integral part of the government's national policy. Canadians are becoming increasingly aware of their nationhood and of the importance of developing to the full the cultural, social and economic resources of this country. This bill is directly related to the efforts the government has been making in such fields as the domiciling of our constitution in Canada, and also to the numerous steps the government has already taken, and is taking, to encourage the development of the nation's resources, their control by Canadians and their use primarily for the benefit of Canada.

This bill, then, is not a manifestation of any narrow nationalism, nor is it anti-American. It represents the determination of the government to understand fully the operation of our economy, the extent of foreign control of various units operating within that economy, and the effects of that control; and our desire to see that the Canadian people are made aware, in general terms, of these facts and their implications. This is the duty of any responsible government, and this is the basis on which the bill has been drawn up.

The right hon. Prime Minister, as leader of the opposition, on February 11, 1957 when moving the adoption by this house of a natural resources development policy, spoke of the need at that time for:

> —a national policy; not a policy of nationalism but one whereby Canada in the days ahead will remain an independent Canada and will not inexorably drift into economic continentalism; one whereby Canada will maintain her economic independence and her sovereignty; a policy that will provide national development for a greater Canada in which growth and prosperity will not be purchased at the expense of our economic independence and our effective national sovereignty.

[Mr. Pickersgill.]

The Prime Minister and other ministers have emphasized on many occasions that this national policy is not designed to hamper in any way those investors outside Canada who may wish to devote their capital to the development of Canadian resources and industries. This country needs foreign capital, and will continue to welcome it as long as its activities in Canada are compatible with Canada's national interest.

In this connection the Prime Minister, addressing the Canadian Chamber of Commerce in Great Britain, stated succinctly what the government, and indeed Canadians generally, expect of business organizations controlled from outside Canada. He said:

> We have made it clear that we expect foreign concerns operating in Canada, or Canadian subsidiaries of foreign companies, to carry on operations as Canadian businesses. We expect them to make available a fair portion of their equity securities for purchase by Canadians; to include Canadians on their boards of directors; to make proper disclosure of their Canadian operations; to employ competent Canadians in senior management and technical positions; to conduct a fair share of their research in Canada; to purchase their requirements within Canada if those are available on competitive terms; and not to be denied by those in control a fair opportunity to sell their Canadian products in export markets.

One reason for the fundamental importance of this proposed legislation is the extent of foreign investment in the Canadian economy. Total non-resident investment in Canada as of 1959 amounted to no less than $20.7 billion. In December, 1957, the most recent date for which these figures are available, more than half of all Canadian manufacturing industry—56 per cent to be precise—was under non-resident control, as were 76 per cent of Canada's petroleum and natural gas industry and 61 per cent of our mining and smelting industry. Altogether there are an estimated 6,500 foreign controlled companies in Canada.

Obviously any sovereign nation must have access to financial information on the operations of industry within its borders. Foreign investment in Canada is so extensive and has such a far reaching effect upon the national economy that information on its activities is essential to the conduct of public affairs. We cordially invite foreign capital to help us with the development of our great natural resources, and we invite foreign investors to derive a profit from this development. Is it not reasonable, therefore, that we should ask them to tell us something about their activities and finances? The proposed legislation seeks, among its various objectives, to fill this gap.

The legislation is also important to the individual Canadian citizen. The government has been urging Canadians to invest their savings in the economic development of their country. But the freedom to buy shares in a developmental or industrial enterprise may be of little value to the private citizen unless he knows something of the nature of the enterprise and of its corporate structure and ownership. He already has access to this information for dominion public companies. He may or may not have access to a company's prospectus filed with a stock exchange. The proposed legislation would make general background data available on all kinds of companies operating in Canada.

Up to this point I have been speaking of corporations, but similar considerations apply to international labour unions. In a sovereign nation it is only to be expected that foreign controlled labour organizations should also divulge general information on their affairs in this country.

Members of the house will recall that early last year a bill to provide for returns from corporations and labour unions received first reading.

Following its introduction various representations were received from both companies and unions. For example, it was suggested that the original bill was discriminatory as between various kinds of companies. To remedy this, some suggested that the coverage of the bill should be more restricted, and others that it should be made to apply to all companies. Similarly as related to labour unions, some urged the broadening and others the narrowing of the coverage. It was also stated by some that the original bill would have required companies to lay bare their confidential company affairs before the eyes of their competitors.

Perhaps it was not surprising that representations should have been received or that some of the suggested changes were directly in conflict with others. After all, the bill was the first attempt at legislation in a new and exceedingly complex field. The government therefore welcomed the expression of views by representatives of companies and unions, and these views were very carefully and exhaustively studied and taken into account in the preparation of the new bill.

The measure now proposed, Mr. Speaker, is similar to its predecessor in most respects, but there are five important differences. First, the reporting requirement in the new bill will in general apply to all companies, whether owned or controlled in Canada or abroad, and whether public or private. The bill makes a number of specific exclusions, principally small companies and companies already reporting similar information to the government under some other statute. Second, all labour unions will be required to make returns whether or not their headquarters are situated outside Canada. Third, the range of information to be reported has been considerably extended as compared with that in the previous bill, in order to give a clearer picture of the extent and particularly the effect of foreign control. Fourth, the information is segregated into two clearly defined classes. The first class will include information that will be available to the public; the second class, which will be for government use only, will include those items whose public disclosure could be damaging to companies competitively. I shall return to this point. Fifth, the initial year for reporting will be 1962 instead of 1960, as in the previous bill. This change should make it appreciably easier for companies and unions to prepare their first returns.

In the drafting of this legislation the principal questions to be determined were first, the general form of the legislation; second, who should be required to report; and third, what information should be reported.

As to the form of the legislation, one possible course might have been to amend the dominion Companies Act. The government, after all, already receives periodic returns from all public companies incorporated under that act, including both Canadian controlled and foreign controlled companies. These reports are filed with the Department of the Secretary of State. It was decided not to use the dominion Companies Act for the present purpose because that act applies only to enterprises incorporated under federal charter and does not cover, for example, the many companies incorporated under provincial charter or licensed by a province, nor does it cover labour unions. The scope of the reporting would therefore have been much too fragmentary.

Instead it was decided that new legislation should be drafted under the authority of head 6 of section 91 of the British North America Act, which authorizes the parliament of Canada to make laws in relation to "the census and statistics", so as to permit the collection of financial information pertaining to all firms whether incorporated under federal or other authority, and also of all labour unions.

I have already mentioned that the second question, "Who should be required to report?" presented some difficulty. One possibility might have been to exempt Canadian owned and controlled companies and unions from the reporting requirement. This, however, was felt to be impractical. After all, there are many different means and degrees of control, and it was not considered realistic to single

out for exception general classes of corporations such as all private companies or all Canadian owned companies.

Furthermore, on the matter of share ownership for example, the government is interested not only in those corporations having, say 51 per cent of their shares held outside Canada, but also in those having smaller percentages owned abroad; because it is quite possible that effective control may be exercised by the holding of less than 50 per cent of the shares. Similar considerations apply to the various other criteria of control. I should add that information on an across the board basis may be expected to provide useful data to enable comparisons to be made between foreign controlled and Canadian controlled companies, as a broad factual background for the consideration of policy problems that may arise from time to time in this field.

For administrative reasons the reporting requirement will not apply to corporations whose gross revenue during a reporting period was not over $500,000 and whose assets did not exceed $250,000. Companies operating under the authority of such statutes as the Canadian and British Insurance Companies Act, the Trust Companies Act, the Loan Companies Act, the Small Loans Act, the Radio Act and the Railway Act will also be exempted so as to avoid duplication of returns in cases where already substantially the same kind of information is being obtained under other federal legislation.

In much the same way the legislation would apply to every labour union in Canada having 100 or more members resident in Canada. This requirement to make returns to a public authority is not a new obligation for international unions. The labour management reporting and disclosure act of 1959 in the United States requires all labour organizations to file annual financial reports, a copy of their constitution and various other particulars. Also for some years all union headquarters in Canada have voluntarily given certain information to the Department of Labour, including items such as the names of their officers and the extent of their Canadian membership. This information is published annually by that department in its booklet "Labour Organization in Canada". The returns required by this bill will amplify this information in important respects.

On this third question, "What information should be reported?", the government considered that the requirement should call for only such information as is necessary to give a clear picture of operations in Canada and of the nature of management, ownership and financial affairs. It is believed that corporations and unions will find the terms of the requirement to be reasonable and no more onerous than is necessary.

One important thing that I would like to emphasize is that the bill is designed to produce factual or statistical replies, rather than value judgments, from respondents. It is a fact finding bill. Questions calling for statements of opinion are avoided. No questions are asked relating to contractual arrangements through which control may be exercised, because of the intangible nature and infinite possible gradations of such control. There are no direct questions concerning company procurement policy, personnel policy, investment policy or export policy. The bill does not ask companies to identify their "beneficial" shareholders, because it is recognized that in many cases this information is not available to the companies themselves. The government is concerned primarily with the incidence and extent of foreign ownership and with the effects of foreign ownership on a factual basis, and intends through this bill to provide a basis on which further studies may be made, as may be necessary, on particular aspects of such ownership or control.

I have mentioned, Mr. Speaker, that the returns will be divided into confidential and non-confidential sections. The non-confidential items to be reported by corporations will include information as to how and when they were incorporated, the amount of their authorized share capital, the number of shares held by persons having addresses of record within Canada or elsewhere, the name and address of any corporation holding 10 per cent or more of any class of share, the total amount of debentures issued and outstanding, and the name, address and nationality of each director and officer.

Section B, the confidential part of the return, will include financial statements and an itemized statement showing separately certain payments made by the corporation in the reporting period to persons not resident in Canada. This will include remittances abroad covering such items as dividends, interest, rent, royalties, fees, salaries and other charges as against the operation in Canada. It will be appreciated, therefore, on examination of the bill, that section B can be said generally to be devoted to producing information designed to give in a factual way an idea as to the effect on the operation within Canada of the foreign control, whereas section A of the return is designed to give us factual information as to the physical extent of the foreign control of those corporations operating within Canada, and the same with respect to

labour unions. It will be appreciated, therefore, that with respect to part B the very nature of the information desired indicates it to be of a confidential nature and, further, that it might be of immense value to competitors who would find it for the first time.

Labour unions affected by the legislation will be required to provide similar kinds of information, also divided into the two parts. In section A they will furnish a copy of their constitution, name and address of each local union or branch in Canada, information on trusteeships, a list of employers in Canada with whom they have a collective agreement; and the name, address and nationality of each officer and employee of the union resident in Canada—with the obvious exception of clerks and stenographers—together with information on the manner of selection or appointment of these persons. Section B, the confidential part of the return, will include the union's financial statements and a classified statement showing separately the amounts paid to a union with headquarters outside Canada by members resident in Canada on account of initiation fees, membership dues, health and welfare assessments, death benefit assessments, strike benefit assessments, fines and work permits.

In preparing the legislation, particular care has been taken to ensure that unnecessary information is not being requested, and that the burden of reporting will not be relatively more onerous for labour unions than for corporations, or vice versa, having regard to the differences in their functions. As a further means of facilitating the preparation of the reports, it is contemplated that corporations will be permitted to file financial statements in the same form and at the same time as those supplied to the Department of National Revenue for income tax purposes. This relates only to the general statements such as the balance sheet, statement of income and expenditure, and statement of surplus; copies of the detailed and confidential schedules filed for income tax purposes will not be required by this bill. As still another means of simplification, the bill contains a special provision whereby certain information will not have to be filed year after year.

I have spoken of the kinds of information to be obtained, and I should like now to turn to the use to be made of it. The bill provides that the non-confidential part—section A—of the return filed by each corporation shall be kept on record in an office of the Department of the Secretary of State, and that section A of the return by each union shall be held by the Department of Labour. Any person will be permitted to inspect these reports upon payment of a nominal fee not exceeding $1 in respect of any one corporation or union. This fee is intended merely to cover the government's costs of recording and indexing the returns and of providing facilities for their inspection by the interested persons.

Section B of any return filed by either a corporation or a union will be privileged information, and will not be available to any person other than an official or authorized person, nor for any purpose except a purpose relating to the administration of this act.

At this point, I think I should indicate certain changes which will be proposed in the detailed operation of this legislation. These changes arise largely from the consideration we have given to a number of representations we have received since this bill was introduced.

First, it was suggested that since it is important that the confidential parts of the reports be kept strictly confidential, they should not be required to be filed with the Departments of the Secretary of State and of Labour respectively, but with an organization which, from the very nature of its operations and functions, is accustomed to the receipt and custody of confidential statistics. It was represented to us that industry and business, as well as unions, are anxious to co-operate with the government in carrying out the purposes of this bill, and that the business segment especially would find it much more acceptable from this point of view if the returns were to be filed with the dominion bureau of statistics, which has established an enviable reputation, and has the trust and confidence of all those who are required to furnish returns to it.

I may say that in my view, and that of the government, the fears expressed by those who made those representations to us as to the dangers that the confidential parts of the returns might get into unauthorized hands and be used for unauthorized purposes under the bill as drafted, were, to say the least, somewhat exaggerated. However, the bill is to some extent experimental and it is, indeed, as I myself recognize, a first step. Certainly, its successful operation does depend upon good relations and mutual confidence between the government and those who are filing returns if we are to get the full and frank disclosure which is desirable. Therefore, we felt that in view of these considerations no harm, certainly, would be done by giving effect to these representations which we had received.

Accordingly, it has been decided that all returns, both part A and part B, should be made in the first instance to the dominion statistician. The dominion statistician will in

turn forward one copy of part A of the company returns to the Secretary of State, and one copy of part A of the union returns to the Minister of Labour. Those portions of the returns will be available for inspection in those respective departments in the same manner and circumstances as is now provided in the bill. Part B of the returns will remain in the control and custody of the dominion statistician.

With respect to part B of the returns, the use to be made of them will remain, in general, as now provided, subject to the observations I shall make in a few moments. That is to say, the details may not be made public at any time, but they will be processed and analysed in the bureau and the general effect and conclusions to be drawn therefrom will be published in the form of an annual report for the information of the public, but framed in such a manner that individual statistics and information cannot be identified or related to any individual corporation or union making returns.

I should emphasize that this new obligation imposed on the bureau of statistics, and the method of dealing with the returns received, does not imply any departure from the rules and procedures now applying with respect to returns received under the Statistics Act.

Next, it has been suggested that there is a danger, as the bill is presently drawn, that confidential information contained in the returns will somehow fall into the hands of persons by whom it will be used for purposes not connected with the bill.

Suspicion has even fallen on the Minister of Justice for no better reason, apparently, than that he has the carriage of the bill through the house, although no return will ever be made to him under the bill. Here again we feel that these fears are somewhat exaggerated, to say the least. The provisions of the act now carefully define who is an authorized person and limit the uses that such persons may make of any information received. To act in the manner that some have suggested would be done would clearly be a breach of the statute. However, once again we recognize that it is essential that there be co-operation and confidence, if there is to be full disclosure and advantage from the legislation.

I would have been prepared, therefore, in any event, if there appeared in this house to be any feeling that it would be desirable to amend the bill to make it even more abundantly clear that information could not be communicated or used as suggested, to accept an appropriate amendment to clause 14. As it is, now that it has been decided in any event to use the bureau of statistics, and in view of the desirability of preserving intact the tradition of non-disclosure to unauthorized persons or for unauthorized purposes of any information the bureau has received, I believe it would be advisable to modify clause 14 to reflect absolutely this position. Accordingly, at the appropriate stage, I shall ask one of my colleagues to move the appropriate amendments. There will be a fair number of consequential amendments arising from the foregoing decisions which I shall also ask one of my colleagues to move at the appropriate points in committee of the whole.

I should like to emphasize again, Mr. Speaker, that the financial information in section B of the individual reports which might affect the relationship between competitors will remain strictly confidential. It is to be used only for the purposes of this act and may not be used, for example, as a cross check for the purposes of other acts such as the Income Tax Act or the Combines Investigation Act.

The bill makes provision, also, for any necessary regulations, and for penalties for failure to file a return for a reporting period as required by the act, or for improperly divulging confidential information.

This legislation will provide the government and the citizens with basic information on corporations and labour unions operating in this country supplementing the limited data heretofore available. We hope that companies and unions, whether controlled in Canada or abroad, will act like good Canadian citizens. Indeed, as a government, we have no hesitation in saying that many do so now.

I should like to conclude with a few remarks as to the policy of the bill. In the first place, as I have already stated, it is in a sense a first step. Second, it is designed to enable the government to understand the operations of the Canadian economy, an economy which admittedly owes much and will continue to owe much to foreign investment. However, no nation which calls itself sovereign can be careless of the extent of results of foreign control of vital segments of its economy. It is essential that we should at least understand careless of the extent or results of foreign control so that we may be able sensibly to determine the policies which should be followed in order to direct our own affairs as Canadians in the kind of world in which we live.

The bill, therefore, is designed to give us two kinds of information. The information contained in part A of the returns will give us a clear picture of the extent of foreign control of the Canadian economy in both the business and the labour field. Part B of the returns will provide us with information as

to the effects of this control. It will provide to the government a picture of these effects in precise detail. The publication of the annual reports will enable the public to assess the effects at least in general outline, and so for the first time in our history, the ground will have been laid for the formulation of policy on the basis of all the facts rather than only part of them.

This brings me to the third policy consideration behind the bill. It remains a basic tenet of the Conservative party under the direction of our Prime Minister that Canadian resources should be developed and used primarily for the benefit of Canadians, and that Canadians should participate effectively in the policies which direct our economic development in order that the well-being of this and future generations of Canadians may be ensured.

We are on the threshold of exciting and challenging opportunities for Canada. We have been through difficult times and decisions. We will face equally difficult times and decisions. But surely, we as Canadians, even if we are only 18 million people, are not afraid to measure up to the challenges of new opportunities and decisions affecting our economy. What better way can we measure up to new opportunities than by formulating our policies on the basis of information as to where we now stand in reality.

This bill, then, reflects no narrow nationalistic policy. This government recognizes that we are living in a world of increasing interdependence both in terms of defence and development. We believe, however, that Canadians have a Canadian point of view to bring to bear upon that world and those developments. We believe, therefore, we can make our most effective contribution when the Canadian economy is under the effective control and direction of Canadians. We have as our objective, therefore, to co-operate with our friends both in world development as well as in national development. We expect to benefit from both spheres just as we expect them to benefit; but while we invite them to participate with us and to benefit with us in both the corporation and labour fields we do not expect them to control us; and so we intend over the years to follow policies which will have as a result the objectives set by the Prime Minister whose words I again repeat when he pronounced in the speech to the Canadian Chamber of Commerce in Great Britain in 1960:

> We have made it clear that we expect foreign concerns operating in Canada, or Canadian subsidiaries of foreign companies, to carry on operations as Canadian businesses. We expect them to make available a fair portion of their equity securities for purchase by Canadians; to include Canadians on their boards of directors; to make proper disclosure of their Canadian operations; to employ competent Canadians in senior management and technical positions; to conduct a fair share of their research in Canada; to purchase their requirements within Canada if those are available on competitive terms; and Canadians expect not to be denied by those in control a fair opportunity to sell their Canadian products in export markets.

These policies, Mr. Speaker, we shall be able to further on the sound basis of the information that this bill will provide.

Mr. Robichaud: Mr. Speaker, will the minister allow a question. Is it the intention of the government after second reading to send the bill to the standing committee on industrial relations?

Mr. Fulton: Mr. Speaker, that will depend to some extent upon the progress made here and the views expressed, but I do not see any compelling reason that would indicate that course. We think we can have complete, full and frank discussions in committee of the whole here.

Mr. Pickersgill: A supplementary question, Mr. Speaker. Does the minister not think it might expedite the business of the house if this bill could be sent to the committee so that the house at the same time could get on with some of that urgent business about which the government has been telling us?

Mr. Fulton: In our view this is extremely important business, as important as any—

Mr. Pickersgill: "Urgent" was the word.

Mr. Fulton: —or as urgent as any that could come before the committee of the whole. I am confident that as my hon. friends study further, as they will, the carefully drawn legislation, together with the amendments I will be introducing in committee of the whole, they will agree there is not much reason for holding it in committee of the whole very long. I anticipate it will go through with a substantial degree of unanimity.

Mr. Alexis Caron (Hull): Mr. Speaker, the minister said a while ago, and he repeated it in the last words he used, that this was one of the most important bills the government would bring forward at this present session. This must be so if the government took the view that the supplementary estimates we were considering last Friday should be put aside in order to bring the bill before us at the present time.

The minister said it is an important measure, and it is. Hon. gentlemen opposite knew in 1957 that they intended to bring forward a bill of this nature and one wonders why there has been this delay. The minister said in his opening remarks that the Prime Minister when speaking of national policy in 1957

expressed his intention of bringing forward a bill of this kind. In England in 1960 he said what Canadians expected from foreign companies. They wait until the end of the session and the end of a parliament to bring it to the House of Commons when they could have brought it forward in 1957, 1958, 1959, 1960 or even 1961. However, they did not do that. They said it was too important to do that. I will admit that in 1961 the government brought in Bill No. C-70 which was similar to this one but with a big difference.

An hon. Member: Are you opposing it?

Mr. Caron: I will answer those questions when I am through and hon. members will know what I think of the bill when I am through. They brought in Bill No. C-70 last year but they did not proceed with it. It was one of the worst pieces of legislation that we ever heard of. It was the kind of legislation that creates animosity. It was one of the worst blunders the government ever presented to the house. That bill was creating discrimination between Canadian companies and foreign companies. This year they have brought in a bill which is a good deal better than the one they brought in last year. Bill No. C-38 is different. All companies, Canadian and foreign, are forced to bring in a report to the Minister of Labour or to the Secretary of State showing their balance sheets and other information for which the government may ask. We think that in the back of their minds they still have the same opinion. I followed the minister a while ago when he said he did not wish any distinctions to be made in this matter. However, we think they still have the same opinion. They have an eye on United States companies dealing in Canada just as they have an eye on United States unions dealing in Canada. I think it is just as bad as the 15 per cent trade diversion which the Prime Minister talked about when he came back from his first trip to England after election as prime minister, something which is not creating Canadian good will among other nations. As the minister said, we need foreign capital. In order that we can develop a country as big as Canada, we need that foreign capital. If we need it, we should not discourage it before we start. We have to ask them for information and that is perfectly all right. We have no quarrel with the principle of the bill. The government has the right to know about investments in Canada, especially United States investments, as people from that country are the ones who have invested more in Canada than have those in any other country. It is perfectly natural that the government should ask for such information. However, if we in general accept the principle of the bill, there are in it a few parts that I certainly cannot support and these we shall have an opportunity to discuss when we come to the committee stage.

I was surprised a while ago to hear the minister say that he does not think it is necessary to send the bill to the industrial relations committee. He was the first one to say when he was speaking that they will bring in amendments to the bill when we come to the committee stage. They intend to bring in amendments a few weeks after they present the bill. Hence they admit that some changes can be made. I met some industrialists a few weeks ago and they expressed surprise that the bill was coming back this year. They had not heard about it and they had had no chance to study it. I think they would want to go to the committee or at least to send a brief to the committee, in order to indicate exactly what they think of it. That would give the members of the house a chance to learn what outsiders think of that bill, and more particularly the unions. When they presented a memorandum to the government on March 14, 1962, this is what they said at pages 19, 20, 21 and 22.

The labour unions report that the introduction of Bill C-38 raises once again the objection taken when a similar bill, C-70, was submitted last year. They object principally to a bill that gives the impression that cooperatives and trade unions are institutions so similar in character as to be governed by the same legislation. They say that there is a profound difference in the structure, the line of authority and objectives of a corporation and those of a trade union. Further on they say that the trade union on the contrary is a voluntary association of workers, that the right to vote is equally distributed among its members and elected officers are responsible to them; and that in short unions are associations of individuals formed for collective action in an employer-employee relationship. They further say that in the case of trade unions it is safe to say that no other institutions in Canada operate so much in the full blaze of public security. They further say that labour agrees that Bill C-38 is likely to have two effects, neither of which is desirable. They say that it will on the one hand create trouble and nuisance with respect to the provision of information, some of which is already available in one form or another and a good deal of which is of only questionable value.

Mr. Speaker: Order. Would it be convenient to interrupt the hon. member at this point as it is now five o'clock.

Mr. Caron: Yes.

Mr. Broome: Before the hon. member takes his seat may I ask him, when he continues his quotation, that he also quote paragraph 2 on page 21.

Mr. Caron: It is five o'clock also for the hon. gentleman, Mr. Speaker.

An hon. Member: Well said.

Mr. Speaker: The hon. members will be able to pursue the matter in due course. It being five o'clock the house will now proceed to consideration of private members' business as listed on today's order paper, namely notices of motions.

FINANCE

TEXTILES—REQUEST TO REFER TARIFF BOARD RECOMMENDATIONS TO COMMITTEE

Mr. Maurice Allard (Sherbrooke) moved:

That in the opinion of this house, consideration should be given to the advisability of referring the recommendations of the tariff board on textiles to the standing committee on banking and commerce for the purpose of examining and reporting on the problems of the textile industry, more particularly in connection with foreign imports.

Mr. Pickersgill: I rise on a question of privilege, Mr. Speaker. May I ask whether there would be unanimous consent in the house to allowing the hon. member to come and sit in one of the front row or second row seats a little bit nearer to most of us in the house. I think there are many members who would like to hear him speak and it is a bit difficult to do so from back where he is.

Some hon. Members: Agreed.

Mr. Speaker: Does the hon. member wish to take advantage of the suggestion to which apparently the house would agree?

Mr. Allard: Yes.

Mr. Speaker: Is it agreed that the hon. member may be heard from the seat he now occupies?

Some hon. Members: Agreed.

(Translation):

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, the textile industry plays an important role in Canada, and indeed constitutes an economic factor of primary importance to central Canada.

In the province of Quebec, there are 417 firms employing 35,879 persons, which puts this industry in the fourth rank among Quebec manufacturing industries. A noteworthy fact is that 33.4 per cent of textile employees are female.

The principal plants are located in Sherbrooke, Magog, Drummondville, Granby, Shawinigan, Grand'Mère, Joliette, Three Rivers, Montmorency, Sorel, Montreal, Cowansville, Lachute and St. Hyacinthe.

This industry has a long history of constant progress. In 1667, Jean Talon, administrator of New France, took pride in being able to find in this country whatever garments he required. It will be recalled that, at the time, spinning and weaving were done at home.

On March 29, 1845, the first limited company in Canada started its operations at Sherbrooke, in my own constituency. That company was incorporated under the name Sherbrooke Cotton Factory.

The importance of the Canadian textile industry is revealed by the extent of Canadian investments, amounting to 80 per cent. It is therefore one of the few Canadian industries financed chiefly by Canadian capital.

Therefore, if we wish to add to our economic independence, we must protect this industry with particular care.

But especially since 1951, our textile industry has had to face many problems. I might point out that from 1951 to 1958, in the province of Quebec, the number of people it employed decreased by 10,974 and that, in the field of employment, the industry dropped from first to fifth place, all within the space of seven years. Across Canada, during the same period, 23,000 workers lost their jobs and almost 80 manufacturers had to shut down. The Canadian production of textiles, which stood at 468 million yards in 1950, had dropped to 349 million yards in 1958.

The causes of these difficulties are many and well known. Canadian production has suffered from international competition on the part of the United States and Asian countries. In 1948, 1949 and 1951, tariff reductions granted by a Liberal administration opened the door too wide to foreign products. Thus it was that, from 1950 to 1958, our textile industries lost 16 per cent of the domestic market.

Our textile products can no longer meet foreign competition, our production costs and salaries being comparatively much higher. To illustrate, here are the hourly wages in different countries: Japan, 25 cents; Italy, 51 cents; Belgium, 60 cents; Western Germany, 67 cents; United Kingdom, 80 cents; Norway and France, 86 cents; Canada, $1.34; United States, $2.

It should be noted that, while the hourly wage in the United States is $2, our neighbour, with its population of 180 million, has an enormous market, something which our 18 million people cannot provide.

Tariff Board Recommendations on Textiles

When the present Progressive Conservative government came to power in the middle of 1957, the situation was already quite serious. Our textile industry was clearly on its last legs because the former Liberal government had done absolutely nothing to help it and had even taken several measures calculated to destroy it; facts and figures prove it.

To mention only a few examples, I would point out that, from 1951 to 1958, textile imports from Hong Kong increased fivefold and that those from Japan increased tenfold. In fact, the figures from the dominion bureau of statistics confirm that serious unconcern of the Liberals. In 1951, these imports from Hong Kong totalled $560,000 and from Japan, $2,555,000. In 1958, they had reached $2,597,000 and $24,023,000 respectively.

When I was elected member for Sherbrooke in 1958, I undertook, as was known to my party, to lead an active fight to restore our Canadian industry.

It is very difficult to restore to health a dying body which has too long been left without care.

But this government did tackle the task and, unlike the Liberals who had not done anything since 1945, took action in favour of our textile industry on 19 different occasions. Let me list them:

1. In 1957, the tariff board was asked to proceed with a survey and make recommendations with regard to tariffs on textiles.

2. In 1958, the government increased the British preferential tariff on woollens and worsteds listed under item 554b of the customs tariff.

3. In 1959, the government raised the most favoured nation tariff with regard to section 554b in order to reinstate the British preferential margin.

4. In 1958, this government substantially modified the definition of the word "dumping" for the purpose of the act.

5. The government appointed additional assessors and provided for more detailed bills with attached samples.

6. The government is applying measures concerning special groups of goods, on the recommendations of the tariff board, and within our international agreements.

7. At the GATT meetings in Geneva in 1959, the government started negotiations with regard to a certain number of textiles. This action was repeated in 1960 and in 1961.

8. The government was officially authorized to pursue those negotiations with regard to all consolidated textile items under tariff board reference No. 125.

9. At the request of the Conservative government in August 1959, imports of textiles from Japan were temporarily stopped.

10. On March 31, 1960, the Minister of Finance (Mr. Fleming) made his budget speech and introduced four resolutions providing for a tariff raise averaging 15 per cent on foreign textile products, and especially on cotton goods.

11. In 1960, 1961 and 1962, as requested by the Conservative government, the Japanese limited their textile exports to Canada through voluntarily applied quotas.

12. In 1960, Mr. Fleming asked the United States to withdraw their subsidies on textile exports, but his request met with refusal.

13. The government sought to increase the membership of the tariff board, in order that two groups may meet separately and conduct two hearings and two appeals simultaneously.

14. In 1961, there was a new definition, in the customs tariff, of goods of a class or kind manufactured in Canada. This was to avoid undue delays in the rulings of the tariff board.

Mr. Speaker, may I be allowed to point out, incidentally, that the Liberal majority in the Senate blocked those last two initiatives of the present government.

15. In the June 20, 1961 budget, the Conservative government announced new negotiations to protect the following textile products: hosiery, narrow fabrics, lace, woollen clothing and manufactured woollen goods.

16. In October 1961, a one year treaty was signed following the Geneva conference, in order to balance the trade in certain textile goods, while protecting our national market.

17. The devaluation of the Canadian dollar in 1961.

18. In 1962, our government negotiated a long term treaty providing for a better distribution of textile products throughout the world, while protecting the Canadian textile industry.

19. In March 1962, and more especially last week, during the visit in Ottawa of the minister of economy from Hong Kong, the Canadian government prevailed upon Hong Kong to voluntarily set restrictions on certain textile goods exported to Canada.

Those 19 measures have helped to stave off a disaster and to improve the situation. In fact, foreign imports were down in 1961, and

our Canadian textile industry is picking up. A recent article on pages 1 and 2 of the *Financial Post* of March 17, 1962, witness to that. Here are a few extracts from this article:

(Text):

There's a strong new note of optimism running through Canada's long-harassed textile industry.

Production and employment are at the highest level in five years with earnings on the rise for every major company in the industry. Several companies have just moved into the black for the first time in several years.

(Translation):

And a little farther on, the article adds:

(Text):

Some textile officials now are forecasting an industry production gain for the year of around 10 per cent.

Competition from imports still is keen but the lower discount on our dollar—running around 6 per cent lower than this time last year—is strengthening the competitive position of local mills particularly vis-à-vis U.S. imports.

(Translation):

The article concludes as follows:

(Text):

A more sympathetic treatment by government trade authorities, which have been checking up more vigorously on alleged dumping infractions, is starting to bear fruit.

(Translation):

Page 12 of the March 29, 1962 issue of the Montreal *Gazette* deals with this year's report of the Dominion Textile Limited. Here is what it says:

(Text):

Sales of Dominion Textile Co. Ltd. for the fiscal year ending March 31, 1962, will be in excess of $120 million, according to F. R. Daniels, president and managing director. This would represent a gain of perhaps 20 per cent over the $103,185,000 reported for the previous year.

Dominion Textile—

(Translation):

A little further, the article says this:

(Text):

—recently declared a "final" dividend of 35 cents for the last quarter of the fiscal year bringing total payments for the year to 80 cents compared with 70 cents last year when the final payment was 25 cents.

(Translation):

So, Mr. Speaker, it is evident that the situation is improving and that this Conservative government has done a lot to bring about an economic recovery.

However, I feel that additional steps should be taken to better set our textile industry on the road to security and prosperity. I therefore wish to offer nine suggestions to that effect:

The government should consider applying whenever necessary the provisions of section 6A of the Customs Tariff to United States subsidized cotton textiles, since Washington gave a negative answer to the request of the Canadian Minister of Finance.

Section 6A of the Customs Tariff reads as follows:

Where in the opinion of the governor in council subsidized goods of a class or kind made or produced in Canada have been or may be directly or indirectly imported into Canada, he may declare such goods to be subject to an additional duty on their importation equal to the amount of the subsidy on those goods as determined by him.

Japan should be asked to make public at the beginning of each year the details of its voluntary quotas thus enabling our Canadian industry to determine its production ahead of time. Moreover, those Japanese quotas should include additional items and their quantities should be reduced so as to leave a greater share for Canadian products.

Before any other delivery of grain to red China, we should ascertain that they will not try to pay us back with textile products.

The Minister of Finance should grant our textile industry certain tax concessions in order to encourage it to convert part of its production.

Section XIX of GATT should be applied, if need be, in emergencies concerning particular products.

The new definition of dumping should also be applied wherever necessary.

The government should seriously consider setting up a value for duty that would permit fairer competition between Canadian and foreign producers with respect to consumer sales.

The time has come also to set up values for duty in the case of fishing nets and Japanese-made netting.

Finally, as far as the next long term international agreement is concerned, Canada should not endorse the principle of systematic increased imports, but should strive to have the retaliation measures defined more clearly with respect to the flooding of markets by foreign products.

Those are the problems and solutions which the banking and commerce committee should consider.

That is the spirit of the resolution I have the privilege to introduce. Consequently, I would ask hon. members to express their views as to the desirability of having the said committee examine the recommendations contained in the tariff board's reports. I am speaking of the ten reports submitted by the board concerning reference 125, following the inquiry on our textile products.

Those ten reports are included in a table I have prepared. That table also shows the date on which the board's reports were completed and tabled in the House of Commons and the date of the budget in which those reports were put into effect.

With the consent of the house, I should like to have that table printed in *Hansard* after the remarks it has been my pleasure to make in the house this afternoon.

Tariff Board Recommendations on Textiles

(Text):

The Acting Speaker (Mr. Chown): I wonder if the hon. member would advise the house how long the table is so that we can better appreciate how to handle it?

(Translation):

Mr. Allard: Mr. Speaker, the table has several divisions: dates on which the reports were published, dates on which they were tabled in the House of Commons as well as consideration which the government may have given to them on the occasion of the various budgets, especially in 1958.

I thought it would be tedious to quote the dates and references in the case of each product, and that it would be more convenient to ask the house to give consent to the printing of this table in *Hansard* following my remarks.

(Text):

The Acting Speaker (Mr. Chown): Will the house give consent to the printing of this table as suggested by the hon. member, not as part of his speech but as an appendix to his speech in *Hansard*?

Mr. McIlraith: As I understand the request —and I am subject to some handicaps in understanding it—it was that it be printed at the end of his speech as part of his speech. If I am correct in that, then I am quite agreeable he should have leave.

The Acting Speaker (Mr. Chown): Will the house therefore give unanimous consent to having this table printed at the end of the hon. member's speech as part of his speech?

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows:*]

(Translation):

Report	Published on	Tabled on	Date of budget through which reports were put into force
Wool fabrics	March 5, 1958	June 5, 1958	554b—June 17, 1958 554b—April 9, 1959 Remainder— March 31, 1960
Textile waste (all fibres); Slivers, etc. (wool or hair); Yarns, rovings (wool or hair)	April 2, 1958	July 1, 1958	March 31, 1960
Cotton and related products	December 3, 1958	February 11, 1959	March 31, 1960
Silk, synthetic fibres and manufactures thereof	March 10, 1959	June 12, 1959	March 31, 1960
Hosiery	November 16, 1959	January 27, 1960	June 20, 1961
Slivers, lace, embroideries fire hoses	June 30, 1960	November 29, 1960	June 20, 1961
Manufactures of wool and hair, and related products	September 12, 1960	November 29, 1960	June 20, 1961
Miscellaneous fabrics	February 22, 1961	September 7, 1961	
Wadding, batting and fabrics, coated or impregnated	April 13, 1961	January 22, 1962	
Hats, caps and related products	June 28, 1961	January 22, 1962	

Note: The report concerning hats, caps and related products is the last one of this series and completes the examination by the tariff board under reference No. 125.

(Text):

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, it will be seen that the motion is for a decision that in the opinion of the house consideration should be given to the advisability of referring the recommendations of the tariff board on textiles to the standing committee on banking and commerce for the purpose of examining and reporting on the problems of the textile industry, more particularly in connection with foreign imports.

The hon. member, I take it from the purport of his remarks, intends that all the reports made by the tariff board pursuant to reference No. 125 be referred to the standing committee. If I am not correct in that, I would ask him to correct me, because the motion is not explicit in its language; but I take it that it was his intention that all the reports made on tariff board reference 125 were to be referred. On that assumption I am proceeding to discuss the matter.

I quite agree with the hon. member when he speaks about the importance of the industry in the economy of the country and when he goes on to point out the number of employees it has and the direct bearing that has on our general economy. I of course do not agree with him as to the causes or cures for the difficulties in which the industry finds itself, but I think we are on common ground that the industry has been through a very difficult period and is still in a very difficult period, and that there should be a thorough examination of those difficulties and appropriate corrective action taken to assist the industry.

The hon. member for Sherbrooke (Mr. Allard) will I think agree with me on that point at least. We will, as I continue my remarks, find ourselves in disagreement, I think, as to the causes of some of the difficulties and possibly as to some of the methods of curing them. For instance, the hon. member gave certain statistics as to production in Canada and the number of employees from the year 1951 on. I have every reason to believe that his figures are correct. If they are not correct, I am not aware of any inaccuracies in them. I accept them. But he then attributed certain causes to the facts revealed by the figures. He did not, for instance, tell us that at the conclusion of the Korean war there was quite a sharp drop in the activities of the textile industry in the production of war material. That is one of the factors that slightly upsets his argument. I merely point out by way of illustrating the difficulty in choosing an arbitrary date such as 1951, when the textile industry was completing certain war production, taking that as an arbitrary date and using that figure for a comparative purpose. The point I wish to make there is that using the figures in the way he has used them does not support the arguments he made.

Then his attempt to attribute all the blame in this matter to the former government and none of the blame to the present government is just not sufficiently mature treatment of this subject and is not the kind of treatment the subject deserves. For instance, he did not deal with the action of the present government in the last five years in stopping, and indeed reversing, the reductions in taxation that had been forthcoming every year previously. Heavy taxation is undoubtedly a cost factor in the production of goods, and the failure to continue that reduction undoubtedly hurt the textile industry.

There are other factors like that which must be considered. The hon. gentleman stated that one of the factors in the present difficulty was international competition, and he was quite correct in stating that; but it is not good enough, having stated that, to blandly go on and say that the action of the government in the 12 years following the conclusion of the war in reducing taxation every year did nothing for the industry, and the action of the present government in increasing the cost of production continuously in the last five years was a great boon to the industry. That kind of argument does not treat of the subject at all. It may be listened to from some platforms, but surely it does not help in analysing the problem.

Notwithstanding what I have said on that score, I think the motion is a good one because the banking and commerce committee, if permitted to examine and report on the problems of the textile industry, could examine each one of the facets of the problem he has mentioned and the one or two I have pointed out and see exactly what effect they have had on this industry and what remedial action should be taken. The hon. member's bland assumption that tariffs are the cure-all or cause-all, depending which side of the picture you are arguing at any given moment, of these problems is just not adequate at all. Tariffs are undoubtedly a factor in this subject, and a very important factor, but they do not either cure or cause all the difficulties.

Such things as even the increase in the contributions under the Unemployment Insurance Act have a considerable effect on adding to the cost of production of textiles. The 10 per cent increase this government put on the sales tax has a great deal to do with it. The failure of the government, when these other countries the hon. member mentioned strengthened their own competitive machinery and their own economies and became strong international competitors, to recognize that and to bring our corporation tax into line with the rate of corporation tax paid by the other countries who are competitors, to examine our corporation tax, to grant larger allowances for modernization of machinery and equipment, to grant depreciation to meet that kind of problem, are all factors that are very important.

I have the impression myself—but these things would want to be examined in a more precise and detailed way—that the relief the industry needs, or a great part of it, should come out of a complete examination of our corporate tax structure, which has not been revised and is a problem that has not been faced by this government in the last five years, although these other countries with whom we compete internationally have become much more competitive in the last five years as they have built up their own economies. I think that an examination into that subject and appropriate action taken when the examination revealed, as I am sure it would, that changes are needed would do more to help this industry than any other single thing.

In any event, the point I wish to make here is that this is the kind of problem that can best be examined in a committee with witnesses in a carefully conducted hearing with an examination and, if necessary, cross-examination of those witnesses. It will be seen at once, for instance, that the administrative practices under our present corporation tax legislation are such that they do not lend themselves to easy discussion in the house in a general debate, but they would lend themselves to the most minute examination in a standing committee such as is indicated in the motion, namely the banking and commerce committee. We would see how many of these administrative practices do, in fact, unnecessarily and improperly increase the burden placed on this industry. The same comment applies to the method of computing depreciation allowances under the rules provided by the income tax legislation, as well as the legislation fixing the rates of taxation itself.

There are, of course, many problems here. It was interesting for instance, to hear the hon. member point out that one of our main competitors in this industry was the United States. Then a few moments later in his interesting remarks he drew attention to the fact that the highest hourly wage rate paid in the industry was paid in the United States, the very country which provides us with such strong competition. The wage rate there per hour is eight times the wage rate paid in the industry in Japan and it is something like 50 per cent higher than the rate paid in Canada. The rate varies widely, of course in various countries. In West Germany, for instance, it is about one third of that paid in the United States. Questions of this kind could be examined in committee to see what these different wage rates have to do with the problem and to what extent there should be compensatory legislation to protect the high standard of living in this country which I think all hon. members wish to see protected.

The point I wish to make out of all this is that in my view this is a problem which should go to a committee of members for examination. I believe the banking and commerce committee is the appropriate committee. I think the condition of the industry is such that remedial action is needed. As a matter of fact, if I were to follow that part of the hon. member's contribution in which he was making a political speech I would be critical of the government for not having taken remedial action sooner. This problem is an urgent one and it should be dealt with now. I wish to make it clear, therefore that I should like to see this motion carried and, when it has been carried, see an appropriate motion put on the order paper to refer the subject to the committee.

Mr. H. W. Herridge (Kootenay West): I rise to express the support of this group for the purpose of the motion because, like many others in this house, we are very concerned with the problems of the textile industry. However, I must emphasize that we certainly do not agree with many of the statements and arguments put forward by the proposer in support of this motion.

Indeed, it was very interesting to hear him list the protective measures which the present government has taken to date in order to protect the industry. We think that what is required is a fuller understanding of the problems of the industry, and the only way to get that understanding is to have representatives of the industry, representatives of the labour organizations connected with the industry, together with economists and persons who can contribute to the information of hon. members, come before the banking and commerce committee, tell their story and offer their suggestions.

For that reason we support the purpose of the motion. Before resuming my seat I should like to support the suggestion made by the hon. member for Ottawa West with respect to the desirability of an additional motion to refer the matter to the committee. We have heard a great deal of discussion with respect to the textile industry. I know all members have received resolutions from various sections of the industry, from the manufacturers, from the trade unions concerned and, in some instances, from municipalities who are directly concerned with the prosperity, or lack of prosperity, of the industry. It is our opinion always in this group that before you can take effective action of any kind you must be informed. I notice that is sinking into the minds of hon. members who are listening at the

present time. The way to be informed is to listen to those who have knowledge of the subject. For that reason, members of this group support the motion and trust there will be no delay in passing the resolution and referring the subject to the banking and commerce committee, so that the resolution will be effective shortly.

(Translation):

Mr. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, this measure was introduced by the hon. member for Sherbrooke (Mr. Allard) in order to improve the lot of our textile workers. Though he did commit the error of not mentioning the fine city of St. Hyacinthe when listing localities where this industry is established, I shall nevertheless, commend him.

I will only take a few minutes to tell the house why this measure deserves our support.

However, before doing so, I should like to remind hon. members that, since we came to power, the Conservative government, as my hon. friend from Sherbrooke said, took action on 19 separate occasions to improve the situation of our textile industry. We, of the Conservative party, have all reason to rejoice that the textile industry did not decline under this administration, but rather under the former administration.

Since we took over, the textile industry tends to improve. Today, if we take a close look at the forecasts by people in the industry, we see that they certainly have more confidence in the future than when they operated under our predecessors. And, in order to illustrate my point, here are some facts as I ascertained them myself in the summer and fall of last year.

Mr. Speaker, you will remember that, during the summer and fall of last year, our friends opposite were trying to sow seeds of confusion among the people, by making a great fuss about the alarming unemployment situation at the time. Therefore, being interested to know the exact working conditions in our local industries, I took it upon myself to visit the various plants in the city of St. Hyacinthe. Among the 25 plants I visited, about 10 were connected with the textile industry.

Of course, the first plant I wanted to visit was the one where I worked for 24 years, that is to say the Goodyear Cotton Company of Canada Limited. I am very glad to say here, Mr. Speaker, that not only conditions there have improved substantially, but that the progress made by that company in the course of the last few years is incredible. While during the 1939-45 war, our friends opposite were saying that we had full employment, a sort of golden age, the Goodyear Cotton employed at the maximum 824 persons, whereas that St. Hyacinthe plant is now operating full time, on a three-shift basis, with 925 persons.

Each week I have the opportunity of meeting employees both from that plant and others, and I am happy to note that everywhere working conditions are improving.

At Penmans Limited, for instance, as a result of a contract worth hundreds of thousands of dollars, from the Department of Defence Production, the employees enjoy practically a regular working week. The 550 employees of this plant are very happy to realize that a dynamic government is the successor of a government which had done nothing, or just about nothing, to save this very important industry which contributed enormously to stabilize the economy in the city of St. Hyacinthe.

At Consolidated Textiles, another very prosperous company in St. Hyacinthe, it was somewhat difficult to find the necessary workers to form a third shift.

At Donahue Corporation, the situation is also very good. And it is the same at Yamaska Shirt.

At the beginning, Megantic Knitting had about 50 employees. According to the information that the manager himself gave me, this plant should increase the number of its employees to nearly a hundred in a few months time.

Lefebvre Garment, which normally employs 35 people, would be glad to find some fifteen more trained workers, whom it could hire at once.

As far as Canadian Corduroy is concerned, its 40 employees work a regular work week and everything is fine.

To show you the climate prevailing in St. Hyacinthe, I am going to quote from a report published in *Le Courrier de Saint-Hyacinthe* entitled:

Prospects for four new industries in St. Hyacinthe.

The subtitle reads:

If nothing should frustrate the projects under consideration, St. Hyacinthe should have in a matter of a few months four new industries which together would occupy 300 workers, most of them men.

Tariff Board Recommendations on Textiles

Presently, they are erecting a building for a new industry which is to be established at St. Hyacinthe and which is called Smith Textile Limited.

This shows, Mr. Speaker, that under the present Tory government, far from suffering setbacks as under the previous government, the textile industry is going forward.

I should like to put on the record some figures to prove my point. According to the *Quebec Industrial Review,* employment which, in 1951, stood at 98,000 in the primary textile industry, had fallen to 81,000 in 1956.

In 1956, there were, in the province of Quebec, 218 communities with textile plants. For their operations, these industries were buying $240 million worth of Canadian products.

Imports from the United States, Great Britain and Japan increased from 94 million lineal yards in 1930 to 286 million lineal yards in 1955.

It is also somewhat surprising to see our friends opposite claim that we could have done more for the textile industry. They really have a high opinion of us to say that, in only four years, we could have done more than they were able to do during the 22 years they were in power.

In 1930, the textile industry in Canada supplied 71 per cent of the domestic market, whereas in 1956, under the Liberal government that was in power before us, that proportion had fallen to 57 per cent.

During 1956 only, Mr. Speaker, imports of woollen fabrics from Italy increased by 140 per cent.

It seems to me that our Liberal friends should have been able to do something for the textile industry at that time.

I refer now, Mr. Speaker, to the speech made by the Secretary of State (Mr. Dorion) some time ago at Drummondville, a city where the textile industry is flourishing, and which is represented here by my good friend from Drummond-Arthabaska (Mr. Boulanger).

Mr. Allard: He is not here.

Mr. Ricard: It would not be proper for me to name him; but that would not make much difference since he is absent today.

Mr. Pigeon: Like the hon. member for Laurier (Mr. Chevrier).

Mr. Ricard: I refer to the report which was published in *La Parole,* of Drummondville, and in which the Secretary of State is quoted as saying:

[Mr. Ricard.]

Mr. Pickersgill has emphasized that the textile industry would not be a native industry because in many cases raw materials and machinery that are used are imported. It may be true, said Mr. Dorion, that the textile industry is not a native industry, but is that sufficient reason to throw it out of the country? If other countries were to use the same argument what would happen to their industries using the raw materials we sell them?

And during that conference, the Secretary of State—

(Text):

Mr. McIlraith: Would the hon. member permit a question. He has attributed certain remarks to an hon. member of this house. Would he give the authority for those remarks?

Mr. Ricard: If the hon. member will look at *Hansard* he will see the reference. I do not have the proper page of *Hansard.* This statement will be found in *Hansard* of last year when we were studying the relevant tariff item. I have not had time to do my homework on this but I will privately inform the hon. member as to which page of *Hansard* contains this statement.

Mr. McIlraith: I am sure the hon. member did not quote the words from *Hansard* and I feel he misconstrued them in repeating them.

Mr. Ricard: I was quoting the words of the Secretary of State who himself took the information from *Hansard.*

Mr. McIlraith: He has misconstrued the words of the hon. member for Bonavista-Twillingate.

Mr. Ricard: I am sure if the hon. member will read *Hansard* he will find the statement is just as I quoted it. It is obvious, Mr. Speaker, that this problem of the textile industry does not greatly interest the Liberal opposition, if you look at the number who are in the house now. I think they should be a little bit more cautious in what they are saying.

Mr. McIlraith: All the ministers are absent from the house at the moment.

Mr. Ricard: I have the floor. I am referring to an article in the magazine *Canadian Textile Journal* of January 5, 1962. I should like to quote a few remarks made by Mr. Gerald L. Bruck, chairman, Primary Textiles Institute. He states as follows:

The past year has been one of the most important periods on record for Canada's vital primary textiles industry, and, for the first time in nearly a decade, the future looks bright.

Three factors have helped mark 1961 as an important year. They are:

1. A general pick-up in national economic activity, which has had a considerable influence in the area of softgoods demand;
2. Devaluation of the Canadian dollar, which has made imports less attractive (though they still remain a major threat);
3. And emergence of discount outlets, which have resulted in an increase in total demand for merchandise.

Then he goes on to say this:

Combined with an increase in home production and a halt to annual employment reductions, they have given Canadian manufacturers a long-awaited oportunity for real hope for the future. If continued during 1962, the present trend could have only beneficial results.

(Translation):

Well, Mr. Speaker, if I am not mistaken, some of my colleagues would like to say a few words. I could go on and on and prove to you that the industry is still expanding but in order to give others a chance to express their views, I shall resume my seat immediately.

Mr. Habel: Mr. Speaker, I should like to put a question to the hon. member for St. Hyacinthe-Bagot.

How can the hon. member explain to this house that we need a committee to study the situation if everything is as fine as the hon. member just said it was in his constituency?

Mr. Pigeon: So that it remains so.

Mr. Ricard: First, Mr. Speaker, it is in order to see the extent to which the previous government has overlooked the situation. Second, in order that appropriate steps be taken so that such recessions no longer occur in the future in the textile industry.

(Text):

Mr. John Smith (Lincoln): Mr. Speaker, I welcome the opportunity to speak briefly on this motion, and I should not like to be the one who would talk it out. However, I must congratulate the hon. member for Sherbrooke (Mr. Allard) who has brought it to our attention. I should like to say that I certainly approve of the principle of this motion. I should also like to say that I am not opposed to the tariff board or the manner in which they are set up—an unbiased board—to be the referee between industry and the consumer and to hear both sides of requests for the raising or lowering of tariffs. However, I am not satisfied with the manner in which the recommendations from the tariff board are sometimes finalized.

I feel that private members should have more opportunity to discuss the recommendations of the tariff board before they are incorporated in the budget or in some other form of legislation. I understand that the recommendations from the tariff board generally go to the Minister of Finance. Some of these recommendations must be negotiated through GATT. In such cases a private member does not have the opportunity to express his opinion on them until they are incorporated in the budget. In other cases the changes recommended by the tariff board are brought to the house by the Minister of Finance in resolution form and private members do not have much of an opportunity to discuss them either.

I fully agree with the hon. member who sponsored this bill that those matters should be referred to a standing committee of some kind so that we may have an opportunity to give them some consideration.

I might say that the textile industry was once a very important industry in my riding but prior to 1957 we lost some five fine industries. For that reason, this is an important matter as far as we are concerned. When a decision from the tariff board hurts an industry and sometimes puts it out of business, it is not the tariff board that gets the blame; it is the local member. For those reasons I feel that in the future we as private members should have a greater opportunity to discuss those recommendations of the tariff board before they are put into effect.

Mr. McIlraith: Carried.

Mr. Smith (Lincoln): I agree that the banking and commerce committee would be a good committee to deal with tariff matters. I was hoping to deal briefly with the matter of sales tax and excise tax, a matter which is also sometimes dealt with by the tariff board. However, I observe that I do not have time in which to do so now.

Mr. McIlraith: Carried.

Some hon. Members: Six o'clock.

The Acting Speaker (Mr. Chown): It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

CORPORATIONS AND LABOUR UNIONS

PROVISION FOR FURNISHING OF FINANCIAL AND OTHER STATISTICS

The house resumed consideration of the motion of Mr. Fulton for the second reading of Bill No. C-38, to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada.

(Translation):

Mr. Alexis Caron (Hull): Mr. Speaker, at five o'clock, when I had to interrupt my remarks, I was saying that the unions are not at all satisfied with the bill in its present form.

I understand that they did not strongly oppose this bill, but they did oppose it clearly enough, and that opposition is worth mentioning. Mr. Speaker, I will say frankly that I did not mention all the things that the brief contains about this Bill C-38 because it would have taken too much time.

I see, in the last part, the following:

(Text):

There is none the less a good deal of detailed criticism of the bill which the congress would like to make and feels it should have the right to make, but this is not the appropriate place or occasion. We strongly urge that the congress and other interested parties be given an opportunity to make formal representations, either to a parliamentary committee or otherwise, before the bill is enacted.

(Translation):

That was just what we were asking for, and what the unions are asking at this time. And I am convinced that a number of corporations only want, as do the unions, to have an opportunity of explaining their position and stating clearly what they disapprove in this bill.

As I said in my opening remarks, the basic principle of the bill is not bad, but it was badly prepared. It is a bill with several faulty sections. We should be given the opportunity of discussing them in committee.

No need to be a lawyer to realize at a glance that the bill needs improving. Indeed, the minister himself said that "We prepared several amendments which will be submitted by my colleagues." Since he introduced the bill in the house, he discovered the need for some improvement, it means he admits that, in principle, the bill is imperfect and incomplete.

Now, in agreement with the Canadian congress of labour, as well as with others I had the opportunity of meeting, we want to ask the minister to avoid all excessive hurry when discussing the bill, and to refer it rather to the standing committee on industrial relations, so that people who have some information to give, or objection to raise, may do so. As a matter of fact, that is the only democratic way to proceed, but that is not the policy of this government.

If the people concerned have not been advised beforehand, how can they express their views in the house since in the committee of the whole, nobody but a member may rise and speak? Therefore, this is done at the expense of those primarily concerned.

I believe a staff of experts should be appointed who would see to the preparing of reports and have an opportunity of enlightening the house. How many experts on this matter are there here? Not many, I would say.

Now, that is the reason why we need the help of those who are more particularly affected by the bill.

We might hear experts on constitutional matters who would tell us how they interpret the bill. We might also have representatives of corporations who would state what form they would like the bill to have to be of any help to them. And, finally, we could have experts in industrial relations who would explain the various ways to deal with labour matters.

Besides, the bill itself should not have been introduced as one bill; there should have been two different bills: one for corporations and one for labour unions. In fact, if we examine the situation closely, it is easy to see that the views, purposes and even wishes of corporations differ from those of labour unions. Consequently, the two should always be dealt with separately.

But, to speed things up before the election, the minister has introduced a bill which is incomplete and ill-conceived, as will be shown at the committee stage.

I suggest that the bill is a dangerous one.

The minister stated a while ago that the bill was divided in two parts, one having to do with statistical and non-confidential information, the other with confidential information.

I wonder, Mr. Speaker, how the minister can still believe that by virtue of some provision of this bill, secrecy cannot be violated, after he has prepared it himself or with his experts.

You only need to read it to know that secrecy cannot be safeguarded, since according to the definitions in it, any person who is or has been employed by the government could ask for and obtain information, and nobody could prevent him from getting it. Besides, a former employee of a company could come today and ask for information and you could not turn him down, according to the wording of this bill.

Now, we claim that there have been and still may be some people so interested in money that they could sell themselves to a company in order to obtain some information about a competitor. Such people could obtain information which they could sell or give away.

Some will say: They are federal civil servants and you usually defend them. That is true but there might be some among them in whom you could not place your confidence. We might find some odd individuals willing to sell information available to them. That does not mean that the civil service is bad. Indeed, Christ had one Judas among his twelve apostles and you would not say that the others did not deserve his confidence.

Mr. Speaker, this bill contains numerous provisions which could not be accepted before they have been considered by a standing committee of the house where experts could advise us on how to improve them.

For example, somewhere in the bill provision is made for a maximum term of imprisonment and a maximum fine, but no minimum is stated. In short, if the judge is lenient, he could sentence the accused to a five cent fine or an hour in jail.

That is why I tell you that it is too late to introduce this bill in the house, the more so because it is impossible to study it in full and adequately.

A while ago the minister said that the bill is introduced under section 91 of the British North America Act. Well, I ask the minister to find, in Bill No. C-38 that he is introducing today, a section that says clearly that this measure is introduced under section 91 of the British North America Act.

I am convinced that this bill represents a constitutional hazard.

Can companies or unions of a purely provincial nature be forced to answer questions for any purpose other than taxation? If they refuse to do so, how can the minister compel them to answer?

Besides, I do not regard that provision as very important, for the corporations and even the unions will be able to defend themselves when the time comes. Nevertheless, there is always a danger. If the minister had really wanted the bill to be in accordance with clause 91 of the British North America Act, he should have prepared a preamble in which he would have specified it. It should have been not only stated, but written.

We are being asked to accept and sign a blank cheque. We are simply being asked to allow civil servants to ask all the questions they like, without those questions having been submitted to the house.

Had the minister wanted to make this bill more complete, he should have added to it an appendix giving a form, a sample of the questions, so as to show which questions will be asked.

Now, I will be told that a certain part of those things are defined in the bill. But what we want to know is the nature of the questionnaires which will be sent to the industrialists, the representatives of the corporations, of the trade unions, in short, to whoever information will be sought from.

In my opinion, as long as we do not have these forms, it is wrong to ask the house to approve such an incomplete bill.

I could have introduced an amendment to have the bill referred to a standing committee of this house, but it would have killed it. It would have been a non-confidence motion. But that is not our purpose; we want the bill to be studied further.

We feel that the government is entitled to ask information from all corporations operating in Canada; it has the right to know how the union funds are used. But to that end, we believe that the bill should be referred to a committee in order to make it a complete and acceptable bill.

This bill is not too bad, but the drafting is poor. It comes too late, at the end of a session, at the end of a parliament.

We know that the Prime Minister (Mr. Diefenbaker) and the Minister of Justice (Mr. Fulton) have had that project in mind for quite a while, because it was mentioned as early as 1957.

In 1960, the Prime Minister made a statement to that effect in England.

Well, if they were thinking about it at the time, why wait until April 1962, at the end of a session, at the end of a parliament, when we know quite well that even if that measure is adopted it will have no effect for some time, because they will need time to gather information.

If the bill had been introduced two months later, that would have made no difference, save that the public could have had the time to prepare itself.

Therefore, I once again urge the minister to kindly refer the bill to the standing committee on industrial relations, in order that the people concerned may democratically exercise their right to express their views, to submit briefs and evidence, which would also permit us to have before the committee economists who could enlighten us on the

various phases of this bill because it includes several sections we shall have to consider. Furthermore, I would ask him to grant the request made by the Canadian congress of labour in its brief dated March 14, 1962.

Once again, I would ask the minister to refer the bill to the standing committee on industrial relations in order that it may be seriously considered, so that, at least, when it is returned to the house, it might be clear enough for the corporations, as well as the unions, to know what they have to offer and what the government expects from them.

In that way, I believe everyone in Canada will be happy, and even the minister, if he agrees to our wishes, will perhaps feel better.

(Text):

Mr. M. W. Martin (Timmins): The house, and indeed the whole country, has waited for the present bill somewhat in a similar fashion to that in which the western world waited for Colonel Glenn's flight. This bill was hanging over our heads throughout the last session, and finally died on the order paper at the end of the longest session parliament has ever known in Canada. We now have it before us, or rather an anaemic version of the one which hung over our heads last session. But I would say that it is only in the day to day expectation which we experienced that there is any similarity between the bill and the flight of Colonel Glenn because, while that flight was a complete and total success, this bill, at least in its present form, is pretty much of a fizzle.

When introducing the bill the minister said it was to bring to fruition some of the pronouncements of the right hon. Prime Minister about repatriating our constitution, our resources and so forth; but I am afraid that, like so many of his pronouncements, this bill is going to fall very far short of its purpose. In fact it is something like the great pronouncement about the abolition of closure, where we abolish closure one week and then the following week the government uses its huge and misbegotten majority to kill the first reading of a bill.

Mr. Speaker: I think the hon. member should not discuss a matter which the house has recently referred to a committee for study.

Mr. Martin (Timmins): Very well, Mr. Speaker. There was another thing I thought rather strange about the minister's introduction of the bill. No recognition was given to the fact that during the last four years private bills sponsored by members of his own party were discussed on a number of occasions in this house.

There are a number of good items in the bill, but I shall not spend much time dealing with them. After all, there are 208 government members in the house and I am sure that if there is any good in the measure they will be perfectly willing to talk about its good points.

Mr. Pickersgill: Would the hon. gentleman permit a question?

Mr. Martin (Timmins): Certainly.

Mr. Pickersgill: Did I understand him to say there are 208 Tory members in the house? Where are they?

Mr. Brunsden: Where are the Liberals?

Mr. Martin (Timmins): Mr. Speaker, the hon. gentleman has asked a very good question and I will have to take it as notice. I would like to deal this evening with some of my main objections to this bill. The first and most important objection is the one that has already been mentioned by the hon. member for Hull. It is the one that is spoken of in the brief which the Canadian Labour Congress presented to the government a couple of weeks ago. I refer to the attempt in this bill to lump together as one class and kind, to use a favourite expression of the government, and as being the same or similar, corporations, co-operatives and trade unions; trying to create in the public mind the image that these are all one and the same thing.

I would like to say that this cannot be done by the mere passing of a bill. Certainly with the majority this government possesses at the present time they could pass a bill saying that moose and wolves were the same, but that would not make it so. The same thing applies to this bill. If and when the bill is passed, it certainly is not going to make corporations, trade unions and co-operatives one and the same thing. Corporations and trade unions are not the same; they cannot be the same, and they will not be the same even when this bill passes and becomes law.

I would like to deal briefly with some of the reasons why this is so. Apparently government members do not realize this or they would not be trying to lump them together under one umbrella in this bill. Corporations have one motive and one motive only. It is clearcut and it is simple. Their motive is to make money. They are not benevolent societies; they would not be in business if they were. Corporations long ago realized that for their present and future benefit they should take political action. This they have done for many years in connection with the two old line parties. This is something that the trade unions are only now learning, and it is something the co-operatives have still to learn.

Mr. Brunsden: They are not very apt students.

Mr. Martin (Timmins): After all, the political party which is in power and forms the government makes the laws which govern this country. Laws are much easier to follow if you make them yourself.

Mr. Fulton: That is an interesting argument.

Mr. Martin (Timmins): That is why the corporations have in the past proceeded to take control of both the Liberal and Conservative parties—

Some hon. Members: Oh, oh.

Mr. Martin (Timmins): —on the simple theory that if you have both horses in the race, you cannot be a loser.

Mr. Slogan: What about union leaders?

Mr. Martin (Timmins): I am sure the hon. gentleman will have ample time and opportunity to make his own speech when I have finished.

Mr. Brunsden: I hope he does better than you.

Mr. Martin (Timmins): I think that if we check back through history we will find that no law that has ever been passed by a Liberal or Conservative government has interfered too much with corporations.

Co-operatives, on the other hand, are slightly more complicated. They are groups of people with certain common interests, working together—I almost said "collectively", but that is a bad word; that is one of the words that unfortunately the communists have banished from our dictionaries—but working together for the common good; they combine the basic motive of gain of the corporation with the basic motive of protection from exploitation which is common in the trade unions.

I am not discussing the merits of these various things but I would just like to point out the differences between them and the reason why we should not try and group them all together, as is being done in this bill.

Trade unions, on the other hand, are much more complicated than the other two. First of all their main motive is protection, and the only reason they came about was to protect themselves from the exploitation by the corporations. So they cannot be one and the same thing. I am one of those who think that we have in this country far too much of trade unions versus management, instead of trade unions with management. I think that before we can ever hope for a rosy future we have to take a different look from that which we have taken in the past in considering just how we are going about it. I certainly have no quick solution.

Trade unions, the same as any other group in our society, are subject to our laws. After all, labour laws, like all laws, were written by governments, which I have already stated have in the main been responsible to the corporations. They are the only government we have ever had in this country.

Trade unions also have the motive of personal gain. In this respect only are they like corporations. They also have something in common with co-operatives, because through their efforts benefits accrue not only to themselves but to society as a whole. Trade unions were built by two different kinds of people. You have the idealists, people who work all their lives for something in which they believe, and you have the professionals who work for something for which they are paid. Originally they were all idealists, but unfortunately the trade union movement found that it was up against a loaded deck. It is pretty difficult to fight with a bunch of idealists on one side and a bunch of professionals on the other, and therefore the trade unions have had to turn more and more to professions in order to meet them. After all, the only reason we have a Jimmy Hoffa is because the transport management drove their employees to turn to a man like him to lead them. Hal Banks, the most famous—if you want to call him famous—

Mr. Brunsden: Infamous.

Mr. Martin (Timmins): —or perhaps "notorious" is the word, trade union leader in Canada was not brought in by trade unionists, but by management. I think we found in that case that the cure was almost as bad as the disease. In fact, our whole past history has shown that corporations have in the main refused to deal with responsible trade union leaders; they would only deal with them when they had to, when they were faced with a law that compelled them to do so.

However, after trying to equate trade unions and corporations let us look at this bill and see the difference in the measures that are applied to each. For example, there are the exemptions under this bill. The only exemption as far as trade unions are concerned is that locals with less than 100 members are exempt from the provisions of the bill. However, when we look at the corporations we find there are 27 different classes exempted by this bill—

Mr. Fulton: Where do you get that?

Mr. Martin (Timmins): —and the last two classes, Nos. 26 and 27 are very interesting, because as I read the bill I find that No. 26

takes in almost exeryone that is designated by the minister and No. 27 refers to any other corporation which the minister may deem in his wisdom to exclude from the bill.

Mr. Fulton: Mr. Speaker, would the hon. member tell me from where he gets 27 classes of corporations.

Mr. Martin (Timmins): I think you will find it in the schedule, if you read it over.

Mr. McDonald (Hamilton South): What page is that?

Mr. Martin (Timmins): This is at the back of the bill.

Mr. Fulton: I read 17 in the schedule and some of them are co-operative credit societies.

Mr. Martin (Timmins): I checked this bill over and I believe there are some 157 sections and subsections in it. It is really a Jim Dandy.

I should like to point out another disparity in the treatment afforded to these two different groups which are thrown together in this way. We find that the penalties, fines, prison terms and so on are equal for each side. In other words, they are identical. But I should like to compare the gross revenues involved for each of these two groups. As one example, I should like to take a case with which I am familiar—the Hollinger gold mine. There are about 800 men in the bargaining unit and at a current rate of $5 a month union dues, if the members were all paying dues, which they are not, this would amount to a gross of $48,000 a year. In 1959, the mine produced 205,727 ounces of gold. If we use the round figure of $35 an ounce, that amounts to some $7,200,465. In the same year the company received emergency gold mining assistance amounting to $817,663, making a total gross revenue of $8,018,128. So we find a gross of more than $8 million on one hand versus a maximum of $48,000 on the other. Nevertheless the penalties for the infringement of this bill are identical in both cases. This certainly is the case of the stew with the one horse and one rabbit in equal parts.

One aspect of this bill could, I feel, be very dangerous, particularly in areas such as the one from which I come, where there is no union security and no check-off of dues. In a situation like this one has to run pretty well as a bluff for most of the year, and in many cases if the operators or the companies were to realize how low the membership might drop in a trade union at a given period when there is no check-off of dues it might lead to all kinds of trouble.

A further aspect of the bill with which I must find fault is its discriminatory aspects. Why is nationality rather than citizenship asked for in this bill? Why, when a report on membership is given, must there be discrimination between male and female members? Surely a union member is a union member regardless of sex or nationality. There is another part of this bill which I find amusing. It puzzled me for a while but finally I have found a solution. In his little book entitled "An Uninhibited History of Canada", the author, Professor Eric Nicol, refers to the bill of rights as follows:

> Included in the bill of rights are all the freedoms that Canadians hold precious, except freedom from under-arm perspiration. It states that everybody is entitled to a lawyer unless it is perfectly obvious that he is guilty (e.g. communists, sex fiends, Liberals, C.C.F. and off-duty postal clerks).

I think we could add a couple more classifications to that. I think we could add corporations and trade unions, because in certain provisions of this bill we find words to the effect that if they are guilty of an offence the penalties will apply regardless of whether they have been tried or convicted. I think this would fit very well into Professor Nicol's description of our bill of rights.

I have spent a good deal more time dealing with the bad points in this bill than I have with the good points but, as I have said before, my experience in this house is that supporters of the government have always been oblivious to the bad points and therefore these need greater stress.

Just before he ended his remarks, the minister mentioned something about the fact that the government wanted to gather all the information it could with regard to corporations and trade unions. But he has completely ignored something which is of vital concern to this country. In the last two or three years we have heard a great deal of criticism, especially by the newspapers and by members on the government side of this house regarding trade union support of the New Democratic party. We have also heard criticism from time to time about political support of the two old line parties by corporations. If we really want to know all the facts, taking the minister at his word that he really wishes to have all the information that is available, I am surprised that this aspect was not considered when the bill was being prepared. To help the minister get all the facts I should like to close my remarks by moving an amendment, seconded by my hon. friend from Skeena (Mr. Howard):

> That all the words after "that" be struck out and the following substituted therefor: "this house declines to proceed with a bill the provisions of which do not provide that corporations and unions be required to make public the amounts of money which they contribute to political parties and candidates for public office."

Mr. Fulton: I have not yet had an opportunity to look up the citations but I think one

would be bound to call Your Honour's attention to the rule of relevancy with regard to this amendment. It might be interesting to know the nature and extent of the contributions of corporations and labour unions to political parties. It might be interesting to know a lot of other things about the activities of these corporations and labour unions. However, the purpose of this bill and the principle behind it are related to acquiring information about the effect and extent of foreign control on corporations and trade unions. That has no bearing whatsoever on their contributions to political parties if, indeed, such contributions are made as the hon. member has asserted.

So the point I make is that the amendment is entirely irrelevant to the purpose of the legislation. If, in connection with the elections act some such amendment were moved, it might be relevant; I do not know. But it is certainly not relevant to the principle of this bill which relates entirely to the incidence and effects of foreign control.

Mr. Howard: This is the first time I have heard that foreign control is related to the sex of trade union members, which is part of the information sought in this bill. Surely we should be just as concerned about certain elements having control over the parties in the House of Commons as we should be regarding their control of other institutions within our country. These questions are relevant to each other and the minister is simply arguing with his tongue in his cheek when he approaches the question from the point of view he has chosen to adopt.

Mr. Churchill: I draw your attention, Mr. Speaker to May's sixteenth edition at page 573 which is a continuation of the paragraph headed "Inadmissible Amendments". Subsection 2 indicates that an amendment is inadmissible if its effect would be to negative the bill which I think is intented by this amendment and which states, in part, "the house declines to proceed with the bill," which it is stated does not do certain things the hon. member would like to have done. In other words, it negatives the bill completely. At page 554 of the same edition, May states:

> An amendment which is out of order on any of the following grounds cannot be proposed from the Chair:
>
> (1) An amendment is out of order if it is irrelevant to the subject matter or beyond the scope of the bill—

I think Your Honour might take that under consideration. This amendment is beyond the scope of the bill and endeavours to deal with matters which are not within the bill. It attempts, as I see it, to do two things: to go beyond the scope of the bill—and in those circumstances the hon. member would then agree that the bill should be accepted—and, second, it attempts simply to negative the bill and for that reason should be ruled out of order.

Mr. Howard: Mr. Speaker, before you rise, may I draw your attention to one other fact. Both the Minister of Justice and the Minister of Veterans Affairs have made reference to this being beyond the scope of the bill, the bill relating only to foreign control of corporations and unions. I point out that the title of the bill makes reference to no type of control, foreign or otherwise. It is entitled:

> An act to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada.

I submit the amendment deals specifically with the reporting of financial and other statistics, namely those relating to contributions to political parties. I think you will find the argument, being irrelevant, is not a valid one.

With respect to the argument about negativing the bill, I think this is what is called a reasoned amendment not dealing particularly with anything contained within the bill but with something perfectly within the ambit of it.

Mr. Speaker: The amendment which has been submitted by the hon. member for Timmins (Mr. Martin) is framed as a reasoned amendment which is quite admissible on second reading of the bill.

Citation 382 of Beauchesne's fourth edition reads:

> 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—

—and so on. The amendment appears to be of that type, on its face. The bill is one which will require corporations and trade unions to submit information. The reasoned amendment is that the bill does not require certain information to be submitted. The question I am to decide is whether that is a declaration of a principle contrary to the bill or whether, as is argued, it goes so completely outside the bill as not to be related to it.

It is a fact that we have on the order paper two propositions about contributions to political parties and candidates for public office, but dealing with the making of contributions rather than the making of returns

with respect to contributions. This amendment refers only to the making of returns or to the giving of public information.

I think the subject matter introduced, that of contributions to political parties, is in reality entirely unrelated to the bill, but it is introduced in a way that gives a semblance of connection to the bill in that it is related to the giving of information. With ingenuity one could think of a great many kinds of information that might be required of any corporation or union and thereby be made the subject of returns and consequently the subject of an amendment in this bill.

On the whole, I think the subject matter of the proposed public information is unrelated to the bill. It is another kind of problem. It is the problem of contributions to political parties rather than the constitution of the corporation or union and therefore is not a subject matter entirely germane to the bill, even though it has the semblance of being related to the bill, because it is related to the giving of information. On that ground I think I would be disposed to rule the amendment out of order, although not without some doubt, and I declare the amendment out of order.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, as one who has had a private member's bill on the order paper for the last three or four years dealing with financial disclosure by Canadian subsidiaries of foreign companies I am naturally interested in this bill. I must give the government full marks for having gone much further than my bill in certain respects, in that the government has included in this measure all companies in Canada both public and private, whether operating under federal or provincial charter; and labour unions are also brought in under this umbrella. I was rather surprised that the minister did not refer to previous debates in this house on my bill because I think those debates were quite informative and would have been of assistance to the minister's staff in the drafting of this measure.

Frankly, I have somewhat mixed feelings about this bill. It represents a step forward but it does not seem to me to go far enough. It appears to me that the information contained in part A is the type of information which, although it cannot be described as inconsequential, does not amount to very much. It is not the type of information that varies from year to year.

Why there should be a fee for this information I do not know. I think the fee might well be removed. It is supposed to cover the cost of indexing and that sort of thing. There will have to be facilities set up to do this if we are to receive tables and reports, and so this cost is there from the beginning. It might be good policy to eliminate the fee.

I was interested in the statement made by the minister with regard to outside control of Canadian industry. This was brought out in previous discussions in the bill to which I referred. It is an amazing fact that a highly developed industrial nation like Canada stands in the position it does. It stands in that position because we have had to have massive imports of foreign capital to develop this country. We needed and wanted this capital; it has been welcome. As the minister said, capital has certain responsibilities to this country, as well as rights. We offer a stable political climate, except perhaps in the province of British Columbia, where capital can develop, where capital can gain the advantages of development in our resource industries. We offer good markets. We offer an access, up to now anyway, to commonwealth markets. We have many advantages for foreign capital and foreign capital comes here not to do us a favour but because it is a good climate for foreign capital. In this respect I take strong exception to what was said by the hon. member for Hull who seems to think that the favour is being done to us when foreign capital comes here. It is a favour on both sides. The extent of this capital is well illustrated in "The Canadian Balance of International Payments, 1960," put out by the dominion bureau of statistics. On page 60, statement 32, "Ownership and Control of Selected Canadian Industries," we find here that, with respect to the rubber industry, in 1959, 98 per cent of it was under foreign control; pulp and paper in 1959, 49 per cent under foreign control; agricultural machinery, 55 per cent; automobiles and parts, 97 per cent; transportation equipment, 73 per cent; electrical apparatus, 81 per cent; chemicals, 77 per cent.

I should like also to refer to the autumn issue of *Queen's Quarterly* for 1958 in which is found an article by Professor J. E. Smyth entitled "Financial Disclosures by Subsidiaries". This is what Professor Smyth had to say about this matter, and this has to do with what is properly secret information and what is properly public information. I quote:

> But the concept of what information is private is somehow related to the concept of what property is private. Those who are sensitive about their property rights are likely also to have precise ideas about what business is their own and no one else's. The ownership of property implies the right to exclude all others from a knowledge of its use (as long as the use is lawful) and of the results of its use. The problem today, however, is to decide in what sense the property of large business is private, and if it is private, who is entitled to the amenities of such privacy. The assets of large corporations are financed by shareholders and by creditors (including employees who must wait

for payment until they have rendered their services). Public relations programs are designed to convince the consumer that he too has a stake in the corporation.

And so it goes on. In referring to disclosure of information, at pages 404 and 405 Professor Smyth had this to say:

What we have in Canada today is a distracting unevenness in the publication of financial information.

He states:

It is when some businesses disclose their financial affairs and condition with candour and others (equally large) are allowed to maintain an inscrutable silence that we can never know where we stand, and that some businesses may enjoy, unfairly, such advantage as there may be in secrecy.

The minister made quite a play on that point. He mentioned that this disclosure could be damaging competitively, that it could be of immense value to competitors. What is the minister talking about? The minister is talking about foreign owned subsidiaries in competition with Canadian companies. This is the way I read it. So we want to perpetuate this advantage, if there is an advantage in secrecy, to the foreign company as compared with the Canadian company. What are these foreign companies? I can give a short list of some of them. They include such companies as the Borden Company, Bristol Myers of Canada, Campbell Soup, Canadian International Paper, Chrysler Corporation, Coca-Cola, Colgate-Palmolive, General Foods, General Mills, General Motors, H. J. Heinz, International Harvester, Irone Ore Company of Canada, Kellogg Company, Kraft Foods, Nabisco Foods, and National Cash Register. There is a whole galaxy of major corporations across this country, with one exception. I mentioned International Harvester. In one session when my bill was being debated and I mentioned the name of International Harvester Company, I received a letter from the president of International Harvester stating that although International Harvester was a fully owned subsidiary of a United States company, they felt it their duty to their customers and to their employees in Canada to make full and complete disclosure of the Canadian operations and they were putting out a balance sheet, profit and loss statements and all the rest of the financial papers which are supposed to be put out by a public company in Canada. They said they were doing this so they would take the people of Canada into their confidence as to what they were doing. I say that this is an enlightened management when that sort of thing is done. But that is not done too often.

What are we asking for, or what were we asking for before this bill was amended? Again, according to Professor Smyth at page 408:

A point of interest is that even were the Canadian subsidiaries of U.S. parent companies required to publish their financial information according to the most stringent requirements for disclosure presently prevailing under any companies legislation in Canada, the disclosure would be considerably less in detail than that required of the parent company in the United States by the securities and exchange commission.

That is what we are asking for, or rather that is what we were asking for, namely, that the subsidiary of this company would give to the Canadian public the same information the parent company is obliged to give to the United States public. Last week out of the *Financial Post* I cut out two little clippings. They are not very big. One reads as follows:

CTS of Canada Ltd., Streetsville, Ont., steadily expanded its production of variable resistors during 1961, according to annual report of parent CTS Corp., Elkhart, Indiana.

Then down below it states as follows:

Results of the Canadian firm are not published.

Again there is this clipping with the heading "Flintkote Doing Well in Canada". Again the *Financial Post* bases its report on information put out by the parent company and in the second paragraph in brackets we find the following statement:

(Financial statements of the Canadian operations are not published.)

I say that this bill certainly is a big step forward. It is necessary. However, I do not think it fulfils exactly what the Prime Minister said when he was quoted by the Minister of Justice. For one thing we desire a fair portion of their equity sold in Canada, or Canadian participation in ownership of these subsidiary companies. This is fine. But if there is an advantage in secrecy, then why should they do this? This would take away the advantage of secrecy. They would come under the public companies section of the Companies Act. I have on the order paper another bill with regard to directors. The Prime Minister said that these companies should have Canadians on their boards of directors. My bill simply provides that the majority of directors of any company incorporated under a federal charter should live in Canada. Canadian nationality was not a requirement; but it would get away from absentee management.

The third point made by the Prime Minister was proper disclosure. I fail to see why information which the parent company puts out in the United States—and we are talking mainly about United States subsidiaries as they have the great bulk of investment in this country—or financial statements should be in part B. I can see good reason for much of the information being asked for being in part B.

However, as far as the standard financial statements put out by the companies are concerned, I can see no good reason for it. As I said before, if there is a valid reason why this must be considered as giving an advantage, then we are saying to foreign companies, "The best way for you to operate in Canada is through 100 per cent owned and controlled subsidiaries; keep Canadians out of participation because otherwise you may have to be put on a fair basis with competing Canadian companies. You may have to let Canadian people know what you are doing in this country, the same as Canadian companies have to do."

I say that, to me, this does not appear to be carrying out what the Prime Minister and the leading members of the government have said time and again in this country and in the United States. This bill does not implement those statements.

Mr. Pickersgill: Another broken promise.

Mr. Broome: It is all right; the hon. member for Hull thought even this bill was going too far. If it was left to a Liberal government to do anything along these lines we would wait 100 years. You do not stand up for anything Canadian, you never have and you never will. You never had any confidence in this country. You are afraid that if you stand up for Canada and Canadians or Canadian interests you are going to frighten off a dollar of investment. This is not so.

In so far as union disclosures are concerned, I did ask the hon. member for Hull to read one paragraph of the brief. I listened intently, but I do not believe he did read it so I will read this paragraph from page 21:

> Notwithstanding our criticism of Bill C-38, a criticism by no means exhaustive, we refrain from voicing further objections to it here. We are prepared to live with it because we have nothing to hide. We would assume that the legislation will not, either in its provisions or regulations, require the publication of information which will damage a union's collective bargaining status, but apart from that we are prepared to co-operate in every way and to waive confidentiality. To the extent that the public are interested in data as to membership, finances and so on, they are welcome to it.

I contend that is a much more realistic attitude on the part of the Canadian Labour Congress this year than they showed last year.

Mr. Caron: Will the hon. member permit a question? Would he read the last paragraph? This is the point I was trying to make.

Mr. Broome: Yes, I know the last paragraph, and I will read it.

> There is none the less a good deal of detailed criticism of the bill which the congress would like to make and feels it should have the right to make, but this is not the appropriate place or occasion. We strongly urge that the congress and other interested parties be given an opportunity to make formal representations, either to a parliamentary committee or otherwise, before the bill is enacted.

The hon. member for Hull read that paragraph, I believe, and I did too. Actually, there is no substance to this argument. The point is, are they willing to agree that this information should be disclosed or do they wish to keep it secret? They cannot, in all honesty, take the position that they do not want this information disclosed, otherwise they will be saying to their members, "We don't want you to know what is happening to the finances of this union." This attitude would not be acceptable. The Canadian Labour Congress has taken the proper attitude that not only their members but the Canadian public are entitled to this information.

It is well to recall that they are only talking about the bill as it is now, part A and part B, which does not require the disclosure of too much information. The congress says the public of Canada is welcome to this information. I do not know what kind of tables the dominion bureau of statistics will bring out eventually to let us know about the operations of foreign subsidiaries in Canada. I go back to Professor Smyth, Mr. Speaker, where he says:

> One of the unfortunate by-products of the present situation, quite apart from its larger implications, is that research in the field of business finance in Canada is stymied at many points because of the large blind spots in our knowledge of what is taking palce in the Canadian economy. The incidence of the operations of subsidiaries upon the Canadian economy is so great that one can never be sure that such published financial statements as we do receive give a typical picture of economic trends and financial developments in Canada. Until about four years ago the Bank of Canada compiled and published financial data from a sample of Canadian companies; it has since abandoned the series. One of the important limitations of these data was that they were drawn entirely from published financial statements, and that the proportion of Canadian economic activity which was affected by large private companies, for which no statements were available, was so significant as to invalidate any conclusions which might be drawn from the published figures.

In other words, we did not even know where our economy was going because there were so many blind spots. Well, we will not have these blind spots in the future, that is if our civil servants can work out the proper tables and ascertain the type of information to which we are entitled. Even when an industry is 98 per cent foreign owned, Mr. Speaker, and there are only three companies in the field, I suppose they will develop tables which will not disclose anything because some smart person may be able to figure out what one of these companies is doing. This would be a terrible thing. Perhaps these civil

servants have the godlike quality of being able to say what is good for the Canadian people to know and what is bad for them to know.

All I know is that I like the bill and that it embraces the whole field, labour unions and companies. I like the approach. It is a big step forward, but I feel that the bill lacks this one essential, and that is keeping normal financial statements in the secret part of the bill instead of putting them into the public disclosure part of the bill.

Mr. Frank Howard (Skeena): I listened with a great deal of interest to what the hon. member for Vancouver South (Mr. Broome) had to say because we know he has a particular interest in this subject and related matters. In fact, he has had, and has now, bills on the order paper dealing with somewhat the same sort of thing. I would have thought that the minister, in his introductory remarks, and especially in view of the fact both hon. gentlemen are from the same province, might have carried out the normal British Columbia courtesies by making some reference to this fact. However, such was not the case. Perhaps it just slipped his mind in his own desire to speak about what he claims are the principal reasons behind the submission of the bill to the house.

Last year a bill was introduced dealing with substantially the same sort of thing, but was deliberately not proceeded with and a number of representations were made during the course of the session. These pieces of correspondence in respect of Bill No. C-70, as I believe it was called last year, were tabled. I have had an opportunity of perusing them and one thing has become quite clear. Most of the representations to the government about the structure of the bill last year were from corporations or interests operating on behalf of corporations, and the bill before us now implements most of their suggestions. I might be unfair if I were to say that the minister knuckled under to these representations. Perhaps it would be more accurate to say this is what he wanted to do in the first place, but he did not know how to have the bill drafted so it would meet the desires of the corporations in this country.

I do not think the minister dealt with the bill itself to any great extent because his remarks were interlarded with references to economic independence and to the development of a Canadian identity so far as corporation and union structures were concerned. He made quite a few references to national development, to ownership, control and utilization of our own resources, all of which are very commendable ideals and are very worthwhile things for the minister to express, but these are not the things which the bill specifies. It does not deal with these questions at all. It deals entirely and exclusively with the filing of statistics about the operations of corporations and unions, albeit arising from that information someone will discover the degree to which corporations and unions have international affiliations or have international controls exercised over them.

Apparently the bill is based upon a speech made by the Prime Minister to the Canadian Chamber of Commerce in Great Britain, during which he made reference to a number of things he would like to see existing in Canada with regard to foreign controls and foreign concerns. The Prime Minister said:

> We expect to make available a fair portion of their equity securities for purchase by Canadians;

This is something highly commendable. We would all like to see more opportunities provided for Canadian financiers to participate in the operation and formation of companies, be they foreign or otherwise; but the bill says nothing about that. The bill, which has been lauded by the Minister of Justice and the government as the last stepping stone to full economic development, does not say a word about that at all.

The Prime Minister also said that we expect them "to include Canadians on their boards of directors". However there is no reference in this bill to Canadians or anybody else being included on boards of directors. It makes no requirement that Canadians be appointed to boards of directors. Are we to balance that statement of the Prime Minister, which stated one of his great national goals was to have Canadians on boards of directors, against this piece of legislation? Were we to do that we could say that we do not believe the Prime Minister because the bill does not propose to carry out what the Prime Minister hoped would be effected.

Your Honour will remember that last session we spent hour after hour after hour until finally, after what seemed an interminably long time, we were able to get one small pipe line company, Aurora pipe lines, in the position of having Canadians as its directors. We had to put up a long battle to achieve that objective, an objective which was in concert with the attitude expressed by the Prime Minister. However the bill before us does not cover that point at all.

The Prime Minister also said he wanted foreign concerns "to make proper disclosure of their Canadian operations." The hon. member for Vancouver South, who has just spoken, said this bill does not allow for the making of proper disclosures. It allows for the making of certain disclosures but, as pointed out by the hon. member for Vancouver South, who has studied this question

at great length, the bill is worthless in that regard because it does not provide for the making of proper disclosure.

The Prime Minister also said he wants foreign companies "to employ competent Canadians in senior management and technical positions." Again that is a very worthwhile ideal but there is nothing about it in the bill. The Prime Minister also talked about foreign concerns conducting a fair share of their research in Canada, but under this government in recent years we have issued patents galore to United States parent companies in the pharmaceutical industry which have subsidiaries here in Canada. These two things do not add up; they do not balance the scale.

The Minister of Justice made some reference to the percentages of foreign ownership and control, stating that 1957 was the last year for which such statistics were available. I do not know whether the minister just did not know there were statistics available for 1959, or whether he deliberately left them out because they painted a much more difficult picture. According to statistics issued by the dominion bureau of statistics foreign control in our petroleum, natural gas and mining industries was 61 per cent in 1957—the same figure as the minister gave for foreign control of our mining industry in 1957—while two years later the percentage had risen to 63 per cent under the present government.

The minister now comes forward with this half-baked piece of legislation and says the government wants to reverse that trend and is seeking Canadian control. However this measure is not going to accomplish that aim. The minister wants to reverse a trend which has been accelerating during the term of his own administration. I cannot see how he will do that merely by requiring the filing of returns, merely by enacting a sort of national snooping law into the businesses of others. The government wants to stick its snoopy nose into everybody's business, for example, to find out how many male and female members a union has, and their nationalities. Maybe it is desirable to know this sort of thing but we would like to have some guarantee or assurance that this will produce a beneficial result towards the goal outlined by the government. I submit the bill does not do that. It merely requires unions and corporations—but not all corporations, there are those which the government thinks should not have to file returns, in fact 27 types in all—to file a list containing certain information, some of which will be public and some of which will be kept secret. In connection with the latter I understand the minister has some amendments to propose so that the secret information filed will become more secret. At any rate I gather that was the intent of his remarks.

I would like to know how this filing of statistics by businessmen and unions, already overburdened with demands for statistics from the government and the d.b.s., is going to move us towards economic independence. How is it going to reverse the trend of more foreign control, of the greater absentee landlordism and ownership which has been increasing under the present government? How is it going to reverse the trend of give-away programs in many provinces with respect to natural resources? How is it going to promote national development, as mentioned by the minister? How is it going to make businesses carry on in the way we would like Canadian businesses to operate? I do not believe it will have one iota of effect at all.

The minister made reference to the fact that he wants the Canadian people to be made aware of what is taking place in the operations of corporations and unions, but then he turns around and says he does not want them to be made aware of everything, that he wants certain things to be kept secret. I ask, is this bill going to allow the government to collect statistics, juggle them around to suit its own need, and then publish what it sees fit? The minister would be far better off to take the advice of the hon. member for Vancouver South who has studied the implications of this and other related matters, someone who is an expert in this field, someone who—

Mr. Argue: Order.

Mr. Howard: —in my opinion might be able to advise the Minister of Justice how this particular piece of legislation should be drafted. If the minister would take that advice, accept those suggestions and agree to put them into effect when the bill reaches the committee stage, perhaps we would be less critical of its effect. If the minister would earnestly say to us now that he meant all these things he spoke about, including understanding our economy, economic independence, and so on, but they really had nothing to do with the bill, then the house might have a better appreciation of whether to vote for or against the bill. At the moment, until I hear some clear indication from the minister when he closes the debate as to what is the real purpose of the bill, I am afraid I will be unable to make up my mind.

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

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, if no one else has anything to say I will say just a few words. I do not really intend to speak on the bill itself, but

very briefly to make an appeal to the minister about the procedure to be followed with relation to the bill. Having listened to the debate, having listened to the minister's own statement that he himself has already come to the conclusion that it would be desirable to propose certain amendments to the bill, having heard the thoughtful suggestions made by my hon. friend from Hull, having heard the views expressed by the hon. member for Timmins, the queries raised by the hon. member for Skeena, and the very thoughtful and thought-provoking observations about the limitations of the bill and the anaemic character of the bill expressed by the hon. member for Vancouver South, I believe that the government would save the time of the house, which they profess to be very anxious to do, and would be able to get on with other urgent business by sending this bill to a standing committee.

It could be sent to the committee on industrial relations, or if the government thought some other committee more appropriate I am sure we would be quite agreeable to sending it to whatever committee they suggest. In the committee these amendments could be carefully considered; time could be taken on them. I feel that if this course were followed, when the bill came back to the house after that kind of consideration it would probably take almost no time at all in committee of the whole. Meanwhile it is now only 25 minutes past nine o'clock and we could probably dispose of at least one more piece of legislation in the house this evening. The government knows how anxious we are, and have been all along, to get on with the essential business—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —and to do it as rapidly as we can consistent with a proper consideration of the expenditure of the vast sums of money we are being asked to approve.

An hon. Member: Peanuts?

Mr. Pickersgill: I make this suggestion, that instead of continuing the rest of this evening in committee of the whole on a bill that, if it were carefully considered in a special committee could probably be disposed of on some other day in a very few minutes, we follow this course and try to get on with the other urgent business that the government is seeking to put before us.

Mr. Speaker: I must inform the house if the minister speaks now he will close the debate.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I appreciate very much indeed the interest in this bill that has been evidenced by those who have spoken and by such helpful suggestions as have been made in the course of this debate on second reading. Perhaps in closing the debate I could deal at once with the suggestion repeated by the hon. member for Bonavista-Twillingate, who has urged that we refer this bill to one of the standing committees for consideration. The hon. member based his suggestion on the idea that by so doing it would enable the house to get on with other urgent business. I would like to say just two or three things about that.

First I should say that in view of the interest and the encouraging degree of unanimity so far expressed with respect to this bill in the debate on second reading, I am satisfied that the committee of the whole house could scarcely be better occupied than in processing this bill through its various stages. I am also satisfied that this stage will not take too long and that the amendments which we have in mind, and which I outlined quite fully in my opening remarks, will generally be approved.

I must say that I do not find myself very much taken in by the other suggestion of the hon. member for Bonavista-Twillingate, which was that members of the official opposition are really anxious to get on with the essential business that is before the house for this session. This and other bills have been on the order paper since the early days of the session. Hon. members opposite have known full well precisely what was the legislative bill of fare had to be passed, and at no time so far have they shown the slightest disposition to give these matters a proper sense of proportion or expedite the business of this house.

Miss LaMarsh: Shame.

Mr. Pickersgill: This is a very good way to get business through.

Mr. Fulton: The hon. member for Bonavista-Twillingate says, "A very good way of getting business through". Sir, nothing at this session has sufficed to persuade the opposition that they should get business through, neither co-operation on our part nor occasionally a frank and bald statement as to what was the situation; nothing has so far persuaded the opposition that they should cease their obstructionist tactics. We have tried everything, and I think we must now just let matters take their course.

The proper way to proceed with bills, in my submission, is for them to be given second reading and then consideration in committee of the whole. That is the procedure we intend to follow and I can assure the hon. member for Bonavista-Twillingate, as well as all

other hon. members of the house, that such amendments as we propose we hope to have adequately considered in committee of the whole. It will not be our intention to rush them through. We hope that each clause of the bill will be adequately considered, with a sense of proportion, and that the arguments advanced will be relevant. That may be a forlorn hope but we hope it will be the attitude shown, because this is important, and in our view sensible, legislation.

With regard to the various points raised by hon. members opposite, I will try to deal with them in the order in which they were raised. The hon. member for Hull suggested that we have brought in this bill too late at the end of the session, and at the end of this parliament. Well, sir, he may be better informed than I am with respect to the end of the session. That question seems to trouble him a little. All I can say, however, is that this bill has been on the order paper since the beginning of the session and if my hon. friends had made it possible for us to bring it on for debate at an earlier time, we should have been very glad to do so. However, we are not asking them to rush it now; they can take all the time they wish, because we regard this as important legislation which should be adequately considered. If, therefore, there is at any time any suggestion that there is not adequate time to consider this bill, the house and the country will know where the responsibility lies: it lies squarely on the shoulders of the hon. member who made this suggestion, and his colleagues.

The hon. member for Timmins made an interesting observation at the opening of his remarks. He said that the house and the country have waited for the opening of the debate on Bill No. C-38 in somewhat the same way that the world waited for Colonel Glenn's flight in space. That suggested to my mind an interesting parallel. There are occasions, it is true, when persons go into orbit and we have been observing the gyrations of the new party, or the New Democratic party to which the hon. member belongs. If he was seeking to create or suggest a parallel between this bill and Colonel Glenn's flight, I can only suggest a parallel or similarity between Colonel Glenn's flight and the activities of his own party which seem to me to be even more striking, especially when one stops to reflect that although both have been in orbit, the significant difference is that whereas Colonel Glenn made a successful landing the hon. member's party is still away out in space.

Mr. Pickersgill: So is that figure of speech.

Mr. Argue: That took five minutes.

[Mr. Fulton.]

Mr. Fulton: That is not nearly as long as it will take the former party of the hon. member for Assiniboia to make a successful landing, and it is even a conspicuously shorter space of time than it will take the hon. gentleman's present party to make a successful landing. Even though he has found a temporary refuge I can assure him he is far from having made a safe landing.

Mr. Argue: Well.

Mr. Fulton: The suggestion has been made that the bill is defective because somehow or other it seeks to equate the corporations and the trade unions. I can only say that anyone who studies the bill will realize how ill founded is this criticism. Of course, it is not the purpose or the effect of this bill to make them the same; the sole purpose is to require both to report statistics. There is no other purpose, and I cannot see, on the basis of the arguments so far advanced, how anyone can suggest that there is anything improper in requiring the two types of organization to make returns in the one piece of legislation. That does not seem to me to indicate in any way that we are trying to equate the operations of trade unions and corporations. One has heard suggestions that we should get on with the business of the session. With that, I quite agree. Yet hon. members on the other side seem to suggest that instead of doing this thing efficiently and expeditiously by providing in the same piece of legislation for these returns, we should take further time in the house by introducing two separate pieces of legislation.

Further, the suggestion was made that the bill was defective in that the penalties provided for infringement are the same in respect to both corporations and unions. This criticism, again, surprised me. I can only point out in answer that this is a universal principle with respect to legislation. The principle is that penalties for the breach of a statute should be the same no matter who commits that breach. Does the hon. member who made that criticism really mean to imply what is inherent in his criticism, namely that there should be one law for the powerful and another for the weak? Certainly that has never been in my opinion a proper basis on which to found any provision setting forth a penalty for breach of statute.

The fact is that what we desire to acquire is information about the activities of those who control from outside certain elements of the Canadian economy, whether that control be exercised in the field of corporation activity or of trade union activity. So we have provided without discrimination that

both segments of the economy should be required to make returns and be subject to the same penalty if there is any breach of the statute.

My hon. friend from Vancouver South made an interesting and constructive speech. It was pointed out by him that he has had bills on the order paper in previous sessions having as their object a similar purpose to that of this bill. That is true, and I should like to express my appreciation to him both for his interest in the subject and the contribution and studies he has made of it, also for the fact that he reminded me that I did not refer to those efforts in my introductory remarks. If there be any omission for which I should be blamed, I accept the criticism gladly. I had thought, however, that his interest in and his contribution to the subject was too well known to need specific reference by me. Indeed I thought it might even have been obvious without my saying so, that we, as a government, have profited by the contribution which he made to this subject himself and by the contributions to knowledge and thought on this subject made during those debates in the past.

Mr. Herridge: Rather belated, but we are glad to hear it.

Mr. Fulton: I do not know what the hon. member for Kootenay West regards as belated, my tribute to the hon. member for Vancouver South or his own, but I am glad he now realizes that his recognition has been belated.

The hon. member for Vancouver South put on record a number of statistics with respect to the extent of foreign ownership and I am sure he will agree with me that these reinforce the arguments in favour of this bill, arguments which suggest that it is timely now that we should take steps to determine the effect and extent of this foreign ownership. I appreciate that the hon. gentleman feels the bill is defective, in that it provides that much of the financial information to be submitted in the returns should be kept confidential. This is because as a result of the consideration we gave after Bill No. C-70 was introduced last session we decided that the representations made with respect to the discriminatory aspects of that bill were well founded. Accordingly, we decided that in the new bill introduced this session we should require the same kind of information to be filed, but by all companies whether private or public and whether Canadian owned or foreign controlled. Having made that decision, the point my hon. friend makes that it preserves somehow the competitive advantage of foreign companies to keep that information confidential is, I submit, not well taken. If my hon. friend will give due weight to the effect of what this bill requires, he will realize that all companies are now required to report. This includes, for instance, Canadian private companies, and these private companies are required to make returns under this bill which they are not otherwise required to make available to the public. Therefore, for us to have allowed that these returns might become public knowledge would have had the effect that information regarding the operations of Canadian private companies, to single out this one group, would have been available to their competitors, including foreign owned United States competitors, to the great advantage of those competitors.

Surely, Mr. Speaker, no one would suggest that we should take any action which would increase what my hon. friend has said is a competitive advantage already existing in favour of foreign owned companies. No, our conclusion was that because it is desirable that the government should obtain this information from all companies, including Canadian owned as well as foreign controlled, and private as well as public companies, that consideration outweighed the consideration in favour of making this information available in detail to the public; because to do so would place Canadian companies which now have the benefit of privacy with respect to certain of their operations at a disadvantage; would place that information at the disposal of their competitors who are controlled from outside the country and thus give their competitors an advantage which at the moment they do not have. We do not feel that these details of the operation of Canadian companies in the category I have mentioned should be exposed to their United States competitors.

As I said in opening the debate on second reading, we recognize that the bill is to an extent experimental, that this is a first step. It is a step that has never been taken before. As a result of this bill, the government, for the first time in our history, will be in possession of all the facts as to the operation of our economy, the influence on that economy of control of important segments exercised from outside the country; and by having the advantage of the information with respect to both Canadian owned and controlled organizations as well as the foreign owned and controlled organizations we can compare the facts and see the full impact on our economy of these foreign controlled operations, whether it be in the corporation or the union field. We can then, as a result of that information, assess the situation and base specific policies, either administrative or legislative, which we will present in the future, upon an intelligent

appreciation of all the facts instead of upon conjecture, prejudice or only a partial appreciation of the facts.

This bill will enable us to develop policy in the field of ensuring effective Canadian control of the Canadian economy and, of course, the information it places at our disposal will also enable us to remedy any defects which may be disclosed as time goes on. In other words, we recognize this as an important step, but a first step, an experimental measure which time and experience may indicate requires certain amendments or modifications. We will be prepared to introduce those modifications on the basis of experience. I am convinced, however, that this step is so important that it is well justified in spite of any uncertainties or risks. Let me make clear that we are not uncertain as to our policy; I mean uncertainty only as to the very best and final way to go about implementing it. Nevertheless the objective to be accomplished in terms of ensuring control by Canadians of the Canadian economy is so important that any risks are well justified. I feel experience will show that this is one of the most important and far reaching steps, in terms of true national development and national policy, that any government has yet taken.

Motion agreed to and bill read the second time.

Mr. Fulton moved that the house go into committee of the whole on the said bill.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Pickersgill: On division.

Motion agreed to on division, and the house went into committee, Mr. Chown in the chair.

On clause 1—*Short title.*

(Translation):

Mr. Caron: Mr. Chairman, I should like to deplore once again the fact that the minister would not refer this bill to the standing committee on industrial relations where, I am convinced, it could have been improved so as to satisfy everybody, because the opposition wants the bill to prove as useful as it is designed to be.

Unfortunately, this was refused. We are in no position to impose our views; we would be defeated by the majority. We shall abide by this decision, even though we were unable to obtain the information we were entitled to get.

The minister says himself that this bill is important. Therefore, it would have been worth while to enable the public to express their views and objections, as was done for other bills. Those concerned should have been allowed to submit a brief likely to enlighten all hon. members. I am convinced that a great number of members on both sides of the house are far from being experts on that matter. We need the advice of experts to explain the principle of the causes we wish to defend.

Now, in the standing committee on industrial relations, we have the right to call experts in constitutional law. Some of them have greatly helped us in the past when they gave us their opinions. We could also have heard industrialists, successful businessmen. Those people could certainly have given us the information we need and which the government has not yet given us.

We could also have heard representatives of the Canadian Congress of Labour and other labour unions; indeed, those people could have enlightened us on the very nature of the principle of the bill. They could even have suggested amendments to make the bill more acceptable. The minister himself recognized that it is not entirely acceptable, since he intends to have his colleagues introduce amendments to improve it?

The most surprising point of all is that even though the government has been studying this bill since 1957, and has introduced Bill No. C-70 last year, we are presented this year with legislation which seems to have been prepared at the last minute.

We did not want to move any amendment during the debate on second reading because that would have resulted in a vote of non-confidence.

Once again I say that the principle of the bill is a good one and that the government is entitled to the information it is seeking. Now, what is the best way to go about obtaining it. That, we do not know.

Besides, the minister said that he introduced this bill under the authority of section 91 of the British North America Act. I have that section here, which, under subsection 1, paragraph 2, reads:

The regulation of trade and commerce.

However, if we look at the rights reserved to the provinces, we find that provinces also have the exclusive right to regulate trade.

Consequently, there seems to be some conflict, which could have been avoided if the minister had included in his bill a preamble in these words: "This bill has been drawn up under the authority of section 91, subsection 1, paragraph 2, of the British North America Act".

I think that would have made it much more acceptable from a constitutional point of view.

As it is, I am of those who believe that strictly provincial corporations and unions will have only one thing to do: refuse to give out the information asked for. It will then be up to the government to take legal action and the courts will decide whether it is really constitutional, as the minister claims it is.

Why compel corporations and unions to take such a stand when everyone would be ready to co-operate if the bill had been prepared properly. But it was not. Now, in some provinces, we might see provincial corporations and unions refuse to give out information and then, the courts may say later that the bill is anti-constitutional in this part.

That is why we ask once again the minister—which he seems to ignore—why he does not prepare a bill in which it would be clearly indicated that the bill is based on section 91, subsection 1, paragraph 2 of the British North America Act. We would then see clearly that the information concerns trade and commerce.

Consequently, the act would become much clearer, much more precise, much more acceptable.

Mr. Chairman, I do not intend to go over the discussion we had previously because when we come to certain sentences we will undoubtedly have some remarks to make; for the time being, I ask the minister to explain the preamble further, which would make this bill more in keeping with provincial laws.

Now, if the minister refuses to accept this suggestion—I know that there are not nearly enough of us to oppose it—we will bow to the demands of a government which does not want to listen to reason.

(Text):

Mr. Howard: I do not wish to make any general comments, Mr. Chairman. However, in opening the debate on second reading the minister indicated that one of his colleagues, if one was available at that time, would move an amendment to clause 14 and that there would also be some consequential amendments to other parts of the bill. I wonder whether the minister would be disposed to make available either to the committee—although this procedure may be a bit irregular—or perhaps in a more private way to representatives of both the official opposition and ourselves the amendments which he proposes to have moved, in order that over the evening and tomorrow morning we may be able to look at them and associate them with the rest of the bill.

Mr. Fulton: Before I reply to the last suggestion, Mr. Chairman, perhaps I could deal briefly with the remarks of the hon. member for Hull. I think he missed the point of my remarks in opening the debate on second reading when I said that we relied primarily upon subheading 6 of section 91 of the British North America Act as the constitutional authority for this bill. I am confident that there may be other heads of section 91 upon which we could rely for such authority. It seems to me that this is an answer to the hon. member's suggestion that we should insert a preamble defining, as I understood him to say, precisely the provision upon which we rely. Certainly we do not rely precisely or exclusively on the trade and commerce heading. As I said, heading 6 appeals to us. However, I think there are others. There are also general provisions upon which we rely with respect to federal jurisdiction. I think it would be extremely unwise in a bill of this sort to attempt to define with particularity precisely the constitutional grounds upon which we rely as to the validity of the legislation. In saying that I do not mean to imply that we have not examined the point with precision and particularity. We have done so and we are satisfied that this bill is within the constitutional authority of parliament.

With regard to the amendments referred to by the hon. member for Skeena may I say that the consequential amendments, while they may be fairly numerous, are minor in nature. I can give him and the committee that assurance. They are changes in the designation of the minister and of officials holding responsibility arising largely out of the decision to entrust the dominion bureau of statistics with responsibility for the reception in the first place of these returns, and the custody of part B. The amendments to all the other portions of the act arise out of the major amendments to clause 14. The amendment to clause 14 affects the definition of official persons and their conduct in connection with the custody of information that comes to them. It does not in itself have very many consequential amendments. The consequential amendments derive mainly from the decision to give the bureau of statistics custody, as I have said. I therefore do not really think there is any necessity for anticipating the amendment to clause 14 at this stage.

Mr. Brunsden: Ten o'clock.

Clause 1 stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Before you leave the chair, Mr. Speaker, perhaps the house leader could indicate the urgent and important business the government proposes to bring before us tomorrow and each succeeding day of this week so that the opposition will be well prepared to expedite that business.

Mr. Churchill: I welcome the change of heart.

Mr. Pickersgill: There is no change of heart whatever.

Mr. Churchill: All government business is important. May I stress that fact. Of course it is also urgent. Otherwise it would not be before hon. members. The first item tomorrow will be the bill based on the resolution which was passed today dealing with amendments to the Judges Act and then we will carry on in the committee stage with Bill No. C-38 which we have just been considering. Then we will follow with the resolution in the name of the Prime Minister dealing with the electoral boundaries commission. Then we shall take second reading of Bill No. S-19, to amend the Canada Grain Act. That appears to be the order in which these items will be taken tomorrow.

Mr. Pickersgill: May I ask the house leader if we can be reasonably sure there will not be a change of program, that the Prime Minister will proceed with the resolution, and that this indication of urgency would mean that redistribution is to take place before there is an election?

Mr. Churchill: There are far too many questions here. However, in view of the tremendous burdens which fall upon a prime minister, I am sure the house would be perfectly agreeable to any shift in the order of business to accommodate him. It is just normal.

It being three minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, April 3, 1962

The house met at 2.30 p.m.

VETERANS AFFAIRS

SECOND AND THIRD REPORTS OF STANDING COMMITTEE—CONCURRENCE IN SECOND REPORT

Mr. G. W. Montgomery (Victoria-Carleton) presented the second and third reports of the standing committee on veterans affairs, and moved that the second report be concurred in.

Motion agreed to.

TRADE

COTTON TEXTILES—IMPOSITION OF EXPORT QUOTAS BY HONG KONG

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the house will recall that an international short term arrangement on trade in cotton textiles was negotiated in Geneva last July. Canada signed the arrangement on September 5 and it came into force on October 1, for a period of one year. On February 16 I tabled in the house a copy of a long term arrangement which was being submitted to the governments of participating countries for approval. It is envisaged that the long term arrangement would come into effect on October 1 of this year, when the short term arrangement expires.

These arrangements are aimed at expanding the export opportunities of less developed countries, while at the same time preventing disruption in the domestic markets of importing countries.

Hong Kong is a substantial supplier of very low cost cotton textile goods to Canada. Early this year there was a noticeable increase in Hong Kong's exports to Canada of one important category, cotton slacks and shorts. The colony's exports of this category to Canada had more than doubled between 1958 and 1959. They then increased by a further 80 per cent in 1960 to a level of about 300,000 dozen. This was, by quantity, about 18 per cent of the total market. In 1961 there was a slight decline, which was part of the general falling off in Hong Kong's exports of textiles to Canada. However, shipments of cotton slacks and shorts in December and in January of this year gave every indication that exports would rise rapidly and cause further disruption in the Canadian market.

In February the Canadian government requested Hong Kong to impose export restraints under the terms of the short term arrangement. This arrangement provides that an importing country may request an exporting country to apply restraints at a level not lower than actual shipments in the year ended June 30, 1961. Last week Mr. H. A. Angus, director of Hong Kong's department of commerce and industry, visited Ottawa and held discussions with Canadian government officials. As a result of these discussions Hong Kong has agreed to impose export restraints, in accordance with the provisions of the Geneva agreement, totalling 255,000 dozen cotton slacks and shorts, divided as follows: men's 70,000 dozen; women's, 55,000 dozen; children's, 130,000 dozen, for the period ending October 1, 1962.

The United States government has also requested Hong Kong to impose restraints on exports of a number of cotton textile items. On March 19 the United States government announced that it would prohibit the importation for consumption of certain shipments from Hong Kong. This naturally gave rise to some concern in Canada lest large quantities of goods ordered for the United States market be diverted to our market. This possibility was discussed with the visiting Hong Kong officials in connection with their future licensing arrangements. Both sides agreed that it was unlikely that serious problems of this kind would arise for Canada.

Mr. G. J. McIlraith (Ottawa West): I am sure the textile industry, which has been experiencing some difficulty, will welcome the announcement indicating exactly what has been done in this field as a result of the agreement announced by the minister.

I would point out, however, that this is the first time in my recollection that I have heard a minister, on motions, merely amplify remarks made by a private member in the previous day's debate on a private member's motion. The hon. member for Sherbrooke made the announcement on this subject at five o'clock yesterday. However, to the extent supplements that announcement, we welcome that the minister's statement amplifies and it.

Inquiries of the Ministry

Mr. H. W. Herridge (Kootenay West): Members of this group wish to thank the minister for confirming the statement made yesterday by the hon. member for Sherbrooke. In view of the fact that the announcement we have just heard was made by the minister on this occasion, we shall examine its contents carefully and express our opinions at a later date.

EXTERNAL AFFAIRS

BRAZIL—THREATENED EXPROPRIATION OF CANADIAN OWNED COMPANY

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister whether the Canadian government has made any diplomatic representations to the government of Brazil regarding the reported threatened expropriation of Canadian undertakings in that country?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, shortly put the answer is no. There were no suggestions or requests on the part of officials or officers of Brazilian Traction for any action to be taken in this regard; therefore none was taken.

CIVIL DEFENCE

SUGGESTED BREACH OF SECURITY RESPECTING HEADQUARTERS LOCATION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Prime Minister based on a most unusual report in today's issue of the Ottawa *Journal*. In view of a report in today's issue of that newspaper that Canadian Aviation Electronics in a report to shareholders states that it turned over to the Canadian army signals at Carp, Ontario in late 1961 a sophisticated computer tied into NORAD and an advanced electronics display system that will plot air, ground and nuclear detonations activity on a large screen and will keep the army's civil defence teams immediately up to date; and since we thus have revealed the location of government survival and defence operations in the event of nuclear attack, has the Prime Minister any comment to make on this incredible breach of security, or will he have the matter looked into?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I cannot accept the general statements made by the hon. gentleman. If I were to answer one way or the other I might be giving information that might be a breach of security. However, in not giving information I do not want it taken that there has been a breach of security. The interpretation placed by the hon. member upon the actual words and expressions used in the article is not, as I see it, borne out by the facts.

Mr. Herridge: A supplementary question, Mr. Speaker. The Prime Minister, I take it, does not consider there has been a breach of security in this article?

Mr. Diefenbaker: Questions of breaches of security, Mr. Speaker, are never subject to discussion in the House of Commons.

INDUSTRY

SYDNEY, N.S.—REPORTED PLAN TO ESTABLISH HEAVY WATER PLANT

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Is the minister prepared to comment on reports that Dupont of Canada, Limited, are negotiating with the federal government and the government of Nova Scotia on a $50 million plant for the Sydney area to produce heavy water for atomic reactors?

Hon. George H. Hees (Minister of Trade and Commerce): No, Mr. Speaker.

(Translation):

SHIPPING

INQUIRY AS TO REGARD FOR BILINGUALISM

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to our dedicated Minister of Transport. Could he tell the house if Canada's bilingual character will be respected within the Canadian coast guard, the establishment of which he recently announced?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, knowing the constant interest shown by the hon. member for Joliette-L'Assomption-Montcalm in the cause of bilingualism, I am glad to be able to inform him that instructions have been given to the effect that badges, posters and other signs are to be prepared in both languages.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF ENGLISH SPEAKING VICE PRESIDENT

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I should like to address a question to the Minister of Transport. In

view of his violent attacks against Canadian National authorities when he sat in opposition because there was no French speaking vice president on the board of directors, how can the minister justify the recent appointment of one more English speaking vice president to the board of directors of the Canadian National?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, when my predecessors were spokesmen for the Canadian National in this house, the reason they gave, every time we asked such a question, was that this matter concerned the Canadian National administration. Indeed, everyone knows that the vice presidents of the C.N.R. are appointed by the corporation. However, since the Conservatives have been in power and since my appointment as Minister of Transport, the number of directors was raised from seven to twelve and there are now three French Canadians among C.N.R. directors.

Mr. Deschatelets: Mr. Speaker, may I ask a supplementary question? Is it not true that the minister stated on numerous occasions that it was important that one of the vice presidents of the C.N.R. be a French Canadian.

Mr. Balcer: Mr. Speaker, it is true that I have always asked in the past to have more French-speaking representatives in the C.N.R. administration, and we have dealt with the problem by appointing three French speaking directors during the last session.

Mr. Pigeon: That is much better than when the hon. member for Laurier was minister of transport.

(Text):

NATIONAL ENERGY BOARD

ANNOUNCEMENT OF RESIGNATION OF SECRETARY

On the orders of the day:

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, yesterday in my absence the hon. member for Gloucester asked whether I could give him any information regarding the resignation of the secretary of the national energy board. Mr. Warren Armstrong, who has held that post for some time and has done an excellent job as secretary has requested permission to return to the practice of law, which permission, of course, has been granted and his resignation is effective today. We are very sorry to lose the service of Mr. Armstrong, as he has been a very outstanding secretary, but we wish him the very best of success in the continuation of the practice of his chosen profession.

(Translation):

HOUSE OF COMMONS

BELLECHASSE—INVESTIGATION INTO ACTIVITIES OF RETURNING OFFICER

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I should like to put a question to the Secretary of State. Could the minister inform the house about the investigation on the returning officer's activities in the riding of Bellechasse?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, as I stated earlier, this investigation is being conducted by the R.C.M.P. under the direction of Mr. Castonguay. As soon as he has communicated to me the results of the investigation, I shall be pleased to inform my hon. friends.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): A supplementary question, Mr. Speaker. Could the minister tell the house which government appointed the chief electoral officer?

(Text):

Mr. Speaker: Order. I think the hon. member is asking for information which is readily available to all hon. members of the house.

HEALTH AND WELFARE

MEAT INSPECTION—INQUIRY AS TO FEDERAL-PROVINCIAL MEETING

On the orders of the day:

Mr. Walter Pitman (Peterborough): I should like to address a question to the Minister of National Health and Welfare. My question arises out of a comment made by Ontario health minister Dr. Dymond that only Ontario and Manitoba were sympathetic toward a federal-provincial meeting on the subject of meat inspection as proposed by the minister. Can the minister indicate the present situation with regard to these talks, and any alternative plans if such proposals are unacceptable to the majority of the provinces?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, the ministers of health for Ontario and Manitoba indicated that they would prefer to have a conference. Judging by the replies of the other ministers from whom I have heard, not all having replied, there did not seem to be sufficient indication for a full fledged conference. Incidentally, I am meeting Hon. Dr. Dymond

in Toronto tomorrow and will be discussing this matter with him, but the whole matter has been referred to the dominion council on health which will be meeting here about the middle of the month.

REPORTED EXCESS OF VITAMIN D IN FOODS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should also like to direct a question to the Minister of National Health and Welfare. Has his attention been drawn to a statement by Dr. William Cochrane, who is indicated as associate professor of pediatrics at Dalhousie University in Halifax, to the effect that a large number of foods and food preparations in Canada contain excessive amounts of vitamin D and that this is somewhat alarming? Would the minister care to comment on this matter?

Hon. J. W. Monteith (Minister of National Health and Welfare): First of all, Mr. Speaker, I have not seen the article, and naturally I would have to examine it very carefully before commenting.

(Translation):

AIRPORTS

ALMA, QUE.—INQUIRY AS TO PAVING AND LIGHTING

On the orders of the day:

Mr. Roger Parizeau (Lake St. John): Mr. Speaker, may I direct a question to the Minister of Transport? Could the minister tell the house if his department intends to pave the airport at Alma and to instal a lighting system?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the installation of the lighting system has already been approved by the treasury board. With regard to the paving, my department has submitted to the treasury board tenders to that effect.

Everything leads me to believe that the paving will be done this year.

(Text):

AIR TRANSPORT

INQUIRY AS TO APPOINTMENT TO BOARD

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has Mr. G. Russell Boucher, former member of parliament for the constituency of Carleton, been appointed to the air transport board? If so, what are his specialized qualifications for this highly technical position?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the air transport board is one of the outstanding judicial bodies of the present government and Mr. Russell Boucher is one of the outstanding lawyers of central Canada. We were very pleased that we could secure his services for this very important appointment.

INCOME TAX

EXAMINATION OF PROPOSED LEGISLATION BY JUSTICE MINISTER

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to ask the Minister of Justice whether he has received copies of Bill No. C-82, which was introduced yesterday, pursuant to standing order No. 85 with relation to the minister's duties under the bill of rights.

Hon. E. D. Fulton (Minister of Justice): No, Mr. Speaker, I do not know that I have received it. I did not regard the matter as of such supreme importance that I should shelve my other duties to look for it.

Mr. Martin (Essex East): Arrogance again.

[*Later:*]

Mr. Fulton: Mr. Speaker, perhaps I might be allowed to supplement the answer I gave a moment ago. I was not aware that my hon. friend was referring to the bill which was defeated on first reading yesterday. I thought he was referring to Bill No. C-81. However, in so far as this question refers to Bill No. C-82, I think I should say that fortunately the house became aware of the ruse or device which the hon. member was adopting in trying to bring this matter before the house in a manner which was really not possible—

Mr. Pickersgill: I rise on a point of order—

Mr. Fulton: The house, however, having divided—

Mr. Martin (Essex East): Mr. Speaker, such arrogance.

Mr. Speaker: Order. Would both hon. members resume their seats? The minister is replying to a question, and a point of order has arisen with respect to his reply. Therefore I feel I should interrupt him to hear the point of order.

Mr. Fulton: I have not made my reply yet, Your Honour.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I feel, sir, that since the minister is seeking to raise a matter that was settled by the house yesterday, this is a contravention of the rules that should not be permitted.

Mr. Fulton: Quite the contrary. I was seeking to explain why this bill not only has not

come to my attention but will, I understand, never come to my attention simply because the house defeated it yesterday on first reading. Therefore it is not before the house, but my hon. friend from Bonavista-Twillingate does not seem to appreciate that.

Mr. Benidickson: A new form of closure.

Mr. Howard: I pose a supplementary question to the minister. Is he aware that he himself, being a member of the rules committee last year, participated in proposing a standing order which requires him to do just what he is talking about?

Mr. Speaker: Order. The hon. member is replying with argument rather than putting a supplementary question.

LABOUR CONDITIONS

BELL ISLAND, NFLD.—LAY-OFFS OF MINERS

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, yesterday the hon. member for Trinity-Conception asked me a question concerning lay-offs of Bell island miners. The hon. member for St. John's East has also made inquiries about this matter. The officials of the unemployment insurance commission at St. John's advise me that they have completed interviewing and registering the miners in question. I may say that some 600 miners were registered on Bell island by officials sent there for that purpose. These applications are now being processed.

There are some vacancies on file in the local office for mining and construction employment in Labrador. The St. John's office now has about 360 vacancies listed. About 175 of these are in mining and construction. This figure should expand when various mining areas in Quebec and Newfoundland are canvassed. My officials are also canvassing mining centres in Quebec and other areas in order to endeavour to place as many of the Bell island miners as are willing to accept employment away from the island. This process will continue until such time as we are successful in placing as many as can be placed. I will be pleased to make further reports from time to time.

CO-OPERATIVES

REQUEST FOR LEGISLATION PERMITTING FEDERAL INCORPORATION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the right hon. Prime Minister arising out of the long-standing request of co-operative organizations for the introduction of legislation to provide for the federal incorporation of co-operatives. In view of the intimation of the Prime Minister last year that this question was being studied, could he say whether a decision has been reached in this regard and whether legislation will be introduced during the present session?

Right Hon. J. G. Diefenbaker (Prime Minister): Naturally the matter is one that has received consideration. The other question as to what action the government will take is one that will be answered when it is appropriate to do so. However, I suggest that before we start looking for new fields of legislation the hon. gentleman, in his new position in opposition, might devote himself to seeing that those matters which were in the speech from the throne receive attention.

POWER

COLUMBIA RIVER—REPORTED SUGGESTION FROM U.S. GOVERNMENT RESPECTING RATIFICATION

On the orders of the day:

Hon. Paul Martin (Essex East): I wish to ask the Secretary of State for External Affairs if he can say whether it is a fact that the President of the United States, the secretary of state or someone on behalf of the government of the United States has indicated to the Canadian government its desire to have the Columbia treaty implemented as quickly as possible? At the same time can the minister say whether or not there has been a threat that the United States will not carry out its commitment unless action is taken by this government?

Hon. Howard C. Green (Secretary of State for External Affairs): I believe Mr. Speaker, this question was dealt with while I was in Geneva.

Mr. Martin (Essex East): If the Secretary of State for External Affairs could indicate when this was dealt with then it would be possible to accept his reply, but I suggest to Your Honour that the Secretary of State for External Affairs is not aware of it. Nevertheless the suggestion made just now to the hon. gentleman by the Prime Minister is in error.

Mr. Green: I think this was dealt with in the house while I was in Geneva.

JUDGES ACT

AMENDMENT TO PROVIDE FOR ADDITIONAL ONTARIO JUDGES

Hon. E. D. Fulton (Minister of Justice) moved the second reading of Bill No. C-84, to amend the Judges Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Chown in the chair.

Mr. Caron: May I ask, is this bill available and has it been printed in English and French?

The Deputy Chairman: I am just waiting to ascertain if that is the situation.

Mr. Fulton: Mr. Chairman, the bill is No. C-84 and it has been distributed to hon. members. It is in our books. It is a simple bill of only two clauses.

The Deputy Chairman: The chairman is just waiting for his copy of the bill, if the committee will bear with me for just a minute or two.

On clause 1.

Mr. Caron: Has the bill been printed in both French and English?

The Deputy Chairman: I am advised that the bill has been printed in both languages and has been distributed.

Mr. Benidickson: Earlier in the session, after a report from Mr. Silk was made public, the Minister of Justice was asked about some matters that required federal co-operation, and I take it that the matter of the appointment of a chief judge and county court and district court judges in Ontario was referred to at that time. However, I do not know if the minister was asked whether officials of the Ontario government and the attorney general had approached him with respect to a very significant item in Mr. Silk's report, which suggested that in Ontario jurisdiction with respect to divorces might very well be assumed by district and county court judges.

Some parts of the northwestern area of the province are just as far away from the seat of government as is Halifax, and are only visited by supreme court judges approximately twice a year. Mr. Silk's recommendation has considerable merit, and I would ask the minister whether he has been in consultation with the government of Ontario with respect to consequential federal amendments that might be necessary to permit county and district court judges in Ontario to assume jurisdiction for hearing divorce petitions.

Mr. Fulton: Mr. Chairman, I am speaking from recollection; therefore I would have to speak subject to correction. About all I can say is that I have been furnished with a copy of the Silk report, but I do not recall that there has been what I would call specific consultation on the question of the divorce jurisdiction of district and county courts. If I am correct in my understanding I would put it this way, that I think it is a matter upon which there would have to be consultation and discussion as to appropriate amendments and approval at the various stages. That kind of discussion, if it is involved, has not yet been held.

Mr. McIlraith: Mr. Chairman, yesterday at the resolution stage of this bill the minister made reference to the appointment of one of the judges of the supreme court of Ontario to become chief justice of Cyprus for a period of six years, and indicated that this was one of the reasons he was asking for an increase of two in the number of judges in the trial division of the supreme court of Ontario.

I want to ask the minister, does he envisage appointing a judge to the supreme court of Ontario for a period of six years only? His treatment of the subject yesterday is capable of that construction, and I wish the minister would clarify the point.

Mr. Fulton: Mr. Chairman, I am quite sure the hon. member, who has made an exhaustive study of these matters, knows that it would not be possible for me to make an appointment for a period of six years only, and no such course of action is intended.

Mr. McIlraith: That is what I understood was the situation, but I think the minister's remarks, if they are re-examined, rather indicate that one of the judges might be appointed for the period during which Mr. Justice Wilson is absent on his duties as chief justice of Cyprus. I wanted to clarify that point for the record.

Mr. Fulton: Mr. Chairman, I have read my remarks in yesterday's *Hansard* and I do not think they are capable of any such interpretation. I simply pointed out that Mr. Justice Wilson has been given leave of absence without pay in order that he might take up his appointment as chief justice of Cyprus, an appointment which, as I pointed out, normally extends for a period of six years. My remarks had no reference to the duration of the appointment of any other judge to the trial division of the supreme court of Ontario.

Mr. McIlraith: I thank the minister for clarifying the matter. I think if he re-examines his remarks of yesterday he will find an ambiguity in them which I think it is desirable to have clarified for the record. That is all I was seeking to do.

Mr. Benidickson: Mr. Chairman, I rather anticipated when I saw the bill that it would make provision for special remuneration for a chief county court judge. I do not see that this is the intention of the government, and it surprises me somewhat. When I spoke earlier I should have joined in the remarks that were made yesterday by the hon. member for Ottawa West. I am not going to repeat

them in any shape or form, because I agree in every respect with what he said on the matter of salaries.

We have here a salary of $10,500 for the new chief judge who will supervise 78 judges and junior judges of the country and district courts of Ontario. As the hon. member for Ottawa West said yesterday, that is rather unsatisfactory. I thought the hon. member made a very good comparison in this respect. When the minister requires senior, competent legal counsel even from young members of the bar sometimes, we find in the estimates at page 156 that he pays a deputy minister with legal talent $21,000; he pays two associate deputy ministers $19,000 each; he pays two assistant deputy ministers $17,750 each; two senior advisory counsel, $16,000 each; four senior advisory counsel $15,000 each, and one senior advisory counsel $14,000. Another salary range is between $12,000 and $14,000, and there are 15 who in the normal course of salary increases, based on relatively short term service, rise to a salary of $12,000.

I thought this was a very telling point in favour of a reconsideration of the present salary offered to county and district court judges in Ontario as presented yesterday by the hon. member for Ottawa West. It was pointed out in the Ontario house, I think, that all these judges would normally carry out surrogate court work and would receive a remuneration of $1,500 from the province, but there was considerable vagueness about some of these other opportunities to which the Minister of Justice referred yesterday. Because of this vagueness, and the suggestion that perhaps this was something that was available to all; because it was not specific and we have little idea of how it relates to some of the figures that I have specifically indicated, to which reference was made yesterday in only general terms in the remarks of the hon. member for Ottawa West, I feel that perhaps there is some unfairness in the treatment of judges of the county and district courts of Ontario.

The minister indicated that this matter is under review, but I also read that these gentlemen had a spokesman about three weeks ago, Judge Cooper of Sudbury, who indicated that he thought they were very dissatisfied with their place in life. As I say, I merely wish to endorse in every way what the hon. member for Ottawa West said yesterday as to their importance in the judicial system. It is all the more important in areas such as the one I represent, where we have two district courts and where we very seldom, because of distance, have an opportunity to receive judicial decisions from a higher level such as the supreme court of Ontario. As a consequence litigants on both sides consent to the hearing of civil actions by district court judges in our area. Indeed, this also applies to other actions which would normally be dealt with by supreme court judges where the counties are nearer Toronto.

Clause agreed to.

On clause 2.

Mr. McIlraith: Mr. Chairman, I want to ask the minister whether he has had an opportunity to check on the progress of the legislation being sought in the Ontario legislature to provide the requirement for these additional judges.

Mr. Fulton: No, Mr. Chairman, I do not know whether it has yet passed the Ontario house. I know that it has been introduced there, and I believe it has been referred to a committee in that house.

Mr. McIlraith: I just want to point out again, as I did yesterday, that the minister is coming before this house and this committee with legislation that is purely hypothetical in its nature, and is asking us to create the authority to appoint judges before there is any requirement for those judges and before the number required has been dealt with by the legislative body having jurisdiction. It seems to me that this is a most unusual course, and there has been no satisfactory explanation from the minister as to why he should seek to follow this unusual course.

Mr. Fulton: With deference, there has been a satisfactory explanation given inasmuch as I have already pointed out that Mr. Justice Wilson has taken up his appointment in Cyprus, having been granted leave of absence without pay, and there is, as I think the hon. member for Ottawa West will agree, considerable urgency about a replacement for at least that position. In addition, as I think we are both in agreement, legislation is also required for the appointment of a further extra judge for the trial division of the high court of Ontario.

It therefore seems to me proper that we should introduce into this house the necessary legislation to enable the appointments to be made at the earliest possible date. The hon. gentleman suggested yesterday that we should carry on our business with expedition and dispatch. I do not expect either the house or the committee to deal with legislation without proper questioning, but I simply pointed out that no appointment can be made under this legislation until the necessary legislation is passed by the Ontario house. The length of time taken here is naturally dependant on hon. members opposite. If they

want to take all day on this, they can do so; that is their business. But there is now a need for extra judges in the high court of Ontario, and I suggest that is the sort of explanation the hon. member is seeking.

Mr. McIlraith: I think the minister is altogether unfair in his remarks. On the second reading of this bill the opposition did not take up any of the time of the house. It went through without debate. In the committee stage we have less than 20 minutes. Surely the minister cannot complain that the opposition has been taking up the time of this committee—

Mr. Fulton: I am not complaining. I am merely answering.

Mr. McIlraith: I would point out that if the Ontario legislature does not pass this legislation, the present bill will be of no effect whatever.

Mr. Fulton: You are wrong.

Mr. McIlraith: I would point out also that my remarks are addressed to clause 2 of the bill, and I want to read that clause to the minister, because apparently he has not observed it:

> 2. Paragraph (a) of section 19 of the said act is repealed and the following substituted therefor:
> (a) One chief judge and seventy eight judges and junior judges of the county and district courts, each $10,500.

The "said act" referred to is, of course, the Judges Act. My remarks had reference to the country court judges and the situation with respect to the changes in the county court judges' legislation in the province. The reference to the appointment of new high court judges is not applicable to that situation and has no relevance.

Mr. Pickersgill: I shall like to say a word on this point, since it has been raised. We have been lectured recently about holding up urgent legislation. So far as we know, this parliament is going on through a normal session. The legislature of Ontario has not done its part in this process, so the present legislation can by no stretch of imagination be regarded as urgent, since it cannot possibly come into effect until the Ontario legislation has been enacted. This bill would not take nearly as long if the legislature of Ontario had acted as it may now, because we would not have this additional subject of discussion.

Here we are told that urgent matters are being held up. At the same time we are having hypothetical questions placed before us which properly should not be brought before the federal parliament until the necessary provision has been made by the Ontario legislature. So unless the government has some ulterior motive which it is not disclosing to this house the present legislation is not urgent at all.

Mr. Bell (Carleton): I should like to tell the hon. member for Ottawa West that there is no area in which this legislation is more urgently needed than in the area represented by the hon. member for Ottawa West and myself.

Mr. McIlraith: In reply to that remark let me say that the hon. member for Carleton knows perfectly well that the appointments cannot be made until the Ontario legislature has passed legislation dealing with this matter. The correct way to proceed is to have the Ontario legislation passed and then to take further steps here. We are now being asked to pass legislation which may well prove to be utterly useless, though I hope it will not.

Mr. Fulton: I do not think there is any need to prolong this discussion. It seems to me the mere fact that over the 95 years since confederation it has been customary to wait until a provincial legislature has acted to create vacancies before we introduced a bill here to provide the salaries for the appointments does not necessarily mean we should slavishly follow that system every time, especially when it has been demonstrated, and agreed by the hon. member for Ottawa West, that there is urgency about making appointments. These judges are needed. I think we are entitled to take what I believe the courts would call judicial notice of the fact that a bill has been introduced in the Ontario legislature, and I think we are entitled to assume that the Ontario legislature may well pass that legislation.

Mr. Pickersgill: And may well not.

Mr. Fulton: As I pointed out yesterday, if the vacancies are not created there the appointments cannot be made, so we are not asking for any power which we can exercise regardless of whether or not we have the right to do so. All we are asking is that this house should place us in a position to make the appointments at the earliest possible moment when the vacancies are created, and in view of the urgent situation in the district courts here and in the county of Carleton I must say I am surprised to hear the hon. member for Ottawa West suggest we should have delayed the introduction of this bill.

Mr. McIlraith: I am not suggesting the minister should have delayed the introduction of this bill. I am suggesting that there should be greater competence on the part of the minister in the treatment of this house

when he is fulfilling his responsibility as a minister of the crown. He knows perfectly well that there undoubtedly is a need for the Ontario legislature to rearrange its judicial districts in the county court field and increase the numbers of judges.

Mr. Fulton: Of course I do.

Mr. McIlraith: He knows perfectly well that the Ontario legislature has jurisdiction over the subject, and that until that legislature takes action the legislative body here cannot do anything effective about the appointments. This being the case, the minister has put this house in the position that if the Ontario legislative body does not complete the legislation now before it—as well it might not, if one reads the reports of certain inquiries going on in that province—

An hon. Member: What has that got to do with the bill?

Mr. McIlraith: I will tell the hon. member if he will listen.

An hon. Member: Make it perfectly clear, will you?

Mr. McIlraith: I would only wish to reply to a brilliant interjection like that in the very kindest of language. I must say that the brilliance of the interjection is not clear to all of us. It may be clear to some in the house. In any event, what this has to do with us in this committee can easily be explained. The minister, on his own admission, is aware that this legislation may never be used. If it is not used, then this government will be guilty of having taken the time of this house from business which it regards as of an urgent nature; supplementary estimates, for instance. It is also needlessly spending the taxpayer's money and wasting the time of parliament.

Mr. Bell (Carleton): What amazes me, Mr. Chairman, is that my friend the hon. member for Ottawa West should be seeking to delay dealing with what is an emergency situation in the city of Ottawa and county of Carleton.

Mr. McIlraith: I wish to deal with that point, Mr. Chairman. The hon. member for Carleton is seeking to completely mislead the committee.

Mr. Pickersgill: And deliberately.

Mr. McIlraith: His charge is a serious charge to have made about me. The minister has referred to another situation which has nothing to do with this bill, is not remedied by this bill and is not dealt with by this bill. I think that should be pointed out in fairness to all concerned. This bill provides for an increase in the number of county court judges and can have effect only after the provincial legislation is enacted and becomes law, and not before then.

As to wasting time, I wish to draw attention to the arrogance of this government in dealing with the subject matter of delay and waste of time. Surely we have come to a sad state here if parliament cannot take 25 minutes to deal with the second reading and committee stages of a bill which is of significance dealing with additional appointments to the judiciary of this country. Surely the government and—what shall I call them?—its senior supporters have reached a strange state of arrogance if that is the position that is being taken, and if every time an opposition member rises to ask a question or to put forward a point of view on a bill he is met with that specious charge.

Mr. Fulton: Precisely, Mr. Chairman. I realize it is no use striving for the last word because my hon. friends opposite are not amenable to arguments of logic. But Your Honour must recall, as the committee will recall, that the ones who raised this question of wasting time were those seated opposite. I have not accused them of wasting time. They have accused me of wasting the time of the house—

Some hon. Members: Hear, hear.

Mr. Benidickson: The Minister of Finance has also contributed to wasting the time of parliament.

Mr. Fulton: If my hon. friends opposite did not wish to waste time they would wait until I have finished. This bill has taken in all, so far, certainly less than an hour. I do not think that is a waste of the time of this house in relation to a measure of this importance. I have not suggested that the time has been wasted. It is my hon. friends opposite who have contended that the government has been wasting time in introducing legislation, in this instance designed to facilitate the appointment of additional judges. The government has been accused of wasting time in introducing urgently needed legislation. If there has been any time wasted it has been that time wasted by my hon. friends opposite in taking the time of the house to advance futile arguments of that nature.

Mr. Pickersgill: The argument is not futile at all, Mr. Chairman. As a matter of fact there is an important constitutional principle involved in the issue before us. This government has assumed that the equally arrogant government of Ontario—and I am just supplying the words for them—merely

because it introduced a bill into that legislature is necessarily going to be successful in having that bill passed.

Mr. Fulton: Not at all.

Mr. Pickersgill: Then why are we wasting the time of this parliament discussing a measure that cannot have effect until the Ontario legislature has passed the legislation introduced in that house?

Mr. Fulton: Who is wasting time? You are wasting time.

Mr. Pickersgill: Well, the hon. gentleman a moment ago, when he asked not to be interrupted, suggested that these interruptions were a waste of time. I would remind the hon. gentleman of his own recipe.

As I was saying when I was interrupted by the Minister of Justice, this legislation cannot have any validity until the Ontario legislature has acted. We do not know how it is going to act. Indeed, in the present disturbed state of opinion in the province of Ontario it is quite possible that that legislature may be dissolved long before this parliament is, without any more legislation being passed, and therefore it is presumptuous of us to assume that that legislature will act. In doing so we are taking them for granted; we are assuming the legislature is going to do something it may never do.

I say, sir, that this bill should never have been introduced at all until the Ontario legislature had acted. This legislation could then have been introduced and it would have been passed very quickly, because there has never been any hold up on these bills once the legislature has acted. There is only one reason why the government is trying to slip this thing through at this stage. I can think of only one reason, but I will not seek to discuss it at this point because anyone can well imagine what it is. But the real point is that the Prime Minister, the Minister of Finance and the leader of the house have time after time said that the members of the opposition were obstructing and holding up urgent business in this house by debating the millions and millions and millions they are spending. They have said that in discussing the estimates we have been holding up urgent business. I say that is urgent business in this house; this is not urgent yet, until the Ontario legislature has acted.

When the government suspend the consideration of the expenditures for the last fiscal year, what urgent business do they bring before us? They present a hypothetical piece of legislation that can have no effect until the Ontario legislature has acted, if it decides to act. That is the most urgent thing they can think of to bring before this parliament now, something that cannot possibly come into effect until the legislature has acted. For that they put off consideration of supply, consideration of the budget and consideration of measures over which this parliament has some control.

I think it needs to be underlined that this is the government's idea of what is urgent business. Now, what possible benefit can it be to the government to get this legislation passed now? It can only be of benefit if they want to be sure in case the Ontario legislature does act, which we do not know anything about until it has acted, that they have a little bit of patronage. That can be their only reason for trying to rush this thing through. If they have some intention of terminating the life of this parliament they might wish to get this legislation passed before the Ontario legislature has acted so they can have the patronage during the rest of their very short life as a government.

Mr. Fulton: Mr. Chairman, if my hon. friend's arguments were not so pitiful they would be almost humorous. The hon. gentleman said we insisted upon interrupting the consideration of the final supplementary estimates. It became perfectly obvious some days ago that my hon. friends opposite were not prepared to deal seriously with supplementary estimates. They are the last persons who should make a charge of that kind. They are the most wrong persons in the world to claim that the supplementary estimates have been improperly set aside, because it was my hon. friends opposite who frustrated and interfered and day after day made it perfectly clear that they were not prepared to deal with the supplementary estimates in an efficient, orderly and proportionate manner; indeed, it was abundantly evident that they were not prepared to deal in that manner with anything we might bring before the house.

My hon. friend also said we are trying to slip this bill through.

Mr. Pickersgill: So you are.

Mr. Fulton: Again this is a matter which might be humorous were it not for the fact that it is so pitiful. It will be recalled that yesterday I took pains to point out to the house our position in this regard. At first I was in error in my recollection. I said the bill would come into effect only on proclamation; then I corrected myself and said we left out the provision concerning proclamation, and that this bill would go through but the appointments could be made only after the Ontario legislature acted to create the vacancies. For my friend the hon. member for Bonavista-Twillingate, who prides himself on being a parliamentarian, to use words

like "slip through" and "improper haste" under those circumstances—

Mr. Pickersgill: I did not use the phrase "improper haste".

Mr. Fulton: Well, my hon. friend has used every other phrase he could think of; apparently he simply did not think of that one. If he had, I am sure he would have wasted the time of the house by using it.

Mr. Pickersgill: It is an impropriety.

Mr. Fulton: For the hon. member to suggest we are slipping through something here demonstrates only the deviousness of my hon. friend's mind that he exercised so frequently when he was over here on this side of the chamber, even to the point that the people of Canada finally put him over there on the other side where he will remain a long time, certainly as long as he persists in indulging in the kind of tactics in which he is now indulging.

So far as the introduction of this bill now is concerned, we come back to two or three simple propositions. There is an urgent need for the appointment of extra district and county court judges in the city of Ottawa and county of Carleton. My friend the hon. member for Ottawa West who first raised this matter now looks embarrassed and wishes he had not raised it.

Mr. McIlraith: He does not.

Mr. Fulton: The hon. gentleman fully appreciates that this is an urgent bill necessary to the due administration of justice in his own district. We on this side of the chamber have no apologies to make for introducing this bill, which is urgently needed, under which appointments will be made if and when the legislature of Ontario creates the vacancies, a course upon which that house is presently embarked. If for any reason the bill does not go through in the Ontario legislature, or if the bill is amended, we will nevertheless have authority to make such appointments as will then have been created in the district and county courts of Ontario.

Why my hon. friends, who claim to be wanting things to be done expeditiously, should insist that we follow an outdated, antidiluvian process every time when by a simple process such as that which we are now following, taking this house into our confidence as to what we are doing, we can place ourselves in a position to make appointments at the earliest possible moment, I am unable to say. Of course my hon. friends try to read into this all sorts of motives, and of course we are accustomed to that sort of thing.

An hon. Member: Closure.

Mr. Fulton: All I can say is that if the hon. member for Ottawa West and the hon. member for Bonavista-Twillingate mean what they say when they say they want the house to get on with the business, they will stop this kind of futile argument and allow this bill to pass.

Mr. McIlraith: There is a point that I think should be dealt with, Mr. Chairman. I think better than anything we can say it points up what the situation is. The Minister of Justice of Canada, in seeking to deal with clause 2 of this bill at the committee stage, saw fit—and indeed was permitted to do so under the current practice of the last year or two in the house—to make personal references as to my looks and appearance. I refrain from any comment on that matter, other than to say this. When the Minister of Justice is obliged to resort to that kind of argument, as the Prime Minister does repeatedly, in order to deal with a matter like this, it is rather bad. For my part I refrain from any comment whatever as to the appearance of any hon. member of this House of Commons at any time. As far as I am concerned the looks or appearance of any member of the House of Commons who has been sent here by his constituents is perfectly fine and satisfactory for me. I think it is an irrelevancy. However, it shows the attitude of the current cabinet and the Minister of Justice, supported by the Minister of Mines and Technical Surveys with his repeated interjections.

The minister keeps pleading for urgency in getting this bill through. I do not know by what right he is continuously concerned with charging us with obstructing the bill because we assert a point of view on it. I do not know by what right he sought to bring in the situation in the county of Carleton, the district in which the constituency I have the honour to represent is located and in which the constituency the hon. member for Carleton has the honour to represent is situated. The situation in that county is not dealt with in any way by this bill, nor was that point raised. The minister cannot make additional appointments in that district or county until the Ontario legislature has taken the action it is required to take under our division of authority under our constitution. That was the point raised, and that is the point the minister seems to be unwilling to grant the propriety of raising. Then we have his reference, of course, to the quality of any arguments that differ from those of the government.

Mr. Pickersgill: Puerile arguments.

Mr. McIlraith: "Puerile arguments" I think was the term used. Obviously the test in the minister's mind as to whether or not an argument is puerile is whether it is asserted

by a member of the government of the day now holding office or by one of its supporters. If the argument is asserted by anyone else it becomes puerile. When it is asserted by the government it is an important argument and an important matter. Surely that is too feeble an approach for any member of the House of Commons to use. However, it is an indication of the thinking of the Minister of Justice on this bill, and on this clause in the bill, that he should stoop to use that argument and the earlier one I mentioned instead of dealing with the subject.

Some hon. Members: Carried.

The Deputy Chairman: I recognize the hon. member for Greenwood.

Mr. Pickersgill: Since the minister made a a certain personal reference I feel that I should be permitted to reply to it. The minister said that the hon. member for Bonavista-Twillingate and other members over here had demonstrated conclusively last Friday that they were not—

Mr. Fulton: All last week.

Mr. Pickersgill: —prepared to pass the supplementary estimates. I have here a copy of *Hansard* for Friday.

Mr. Fulton: All last week.

Mr. Pickersgill: The hon. gentleman might perhaps allow me to reply without interruption. I did not interrupt him.

Mr. Fulton: Be accurate.

Mr. Pickersgill: I am being accurate. Here we find that the estimates of nine departments of government were dealt with on Friday; I refer to the supplementary estimates of nine departments. Millions and millions of dollars were voted with, in most cases, relatively few questions. Hence a great deal of progress was made last Friday. There is not much doubt that if the government had gone on in a businesslike way these supplementary estimates would have been completed yesterday. There is no reason whatsoever to doubt that likelihood, in view of what happened. It is true that difficulty appeared on Thursday evening because the government would not accede to a reasonable request which they acceded to on Friday. That prevented any progress from being made. On Friday they were willing to bring estimates before us with someone to give information about them, and they made good progress. But why do they adjourn this business? They do so in order to bring forward urgent legislation. If the legislation was genuinely urgent that would be one thing. However, this bill is hypothetical. The minister himself makes that admission. I did not accuse the minister of trying to hide that fact. He admitted it yesterday.

Mr. Fulton: The hon. member said we were trying to conceal it.

Mr. Pickersgill: No, I said you were trying to slip it through. I did not say you were trying to hide it. You were trying to put the pressure on and were suggesting that we were holding up an urgent piece of legislation. You were trying to create the impression that my friend the hon. member for Ottawa West in some way or other was preventing the courts in Carleton from functioning properly. If the situation in Carleton is so bad, the fault is that of the Ontario government and the Ontario legislature for not acting. It is not our fault. The attorney general of Ontario one can understand, has other preoccupations these days and may not be attorney general for very long. His successor may not have the same views as to how the courts should be organized. It would not surprise me if his views on many subjects were very different, whoever he may be.

I say that if this had been at the end of a normal session when there was a long recess ahead, there might have been some excuse for this action in bringing in this hypothetical bill. But when it is done in the middle of a session that is going to go on until the end of June, if we are going to do the normal business of the country, that is a different matter. There is no need to have it brought in now. It is not urgent. It cannot be urgent until after the Ontario legislature has acted. It is therefore just a confession that the government has no urgent business to bring before us.

Mr. Fulton: Will my hon. friend permit me to interrupt him?

Mr. Pickersgill: Yes.

Mr. Fulton: May I say that I have just had a telephone message from the attorney general of Ontario saying that the bill has passed and has received royal assent.

Mr. Pickersgill: If the hon. gentleman had made his telephone call this morning, I think he could have saved an hour of the time of the House of Commons. I have now no reason for speaking any more.

The Deputy Chairman: Shall clause 2 carry?

Mr. McIlraith: I just want to say that the minister's message now delivered to the house points up more clearly and more eloquently than anything that could be said by any hon. member here the impossible situation in which the Minister of Justice was putting us in this House of Commons. It indicates also that if he had acted properly and had held off the

presentation of this bill until he had that telegram, it probably would have gone through in a very few minutes.

The Deputy Chairman: Shall clause 2 carry?

Mr. Regier: Mr. Chairman, I should like to ask the minister a question. Before doing so, however, I should like to make an observation. Under our system of government we have the legislative branch, namely parliament, the executive branch or government and also the judicial branch. I have always admired the ability of the members of the judicial branch to disregard past political affiliations upon being appointed to the bench. I believe we are one of the few countries in the world with a judiciary that is almost, if not completely, removed from political consideration. In my view this speaks most highly of those appointed to the bench in our country.

However, I have also noted over the years that appointment is usually based on political consideration, and as the bill now before us has to do with appointments to the judiciary in the county and district courts of Ontario I should like to ask the minister a question. In the light of the increasing number of Ontario lawyers who have expressed their willingness to be candidates for the New Democratic party and also the growing number of Ontario lawyers who have expressed a desire to see the Leader of the Opposition as the next prime minister of Canada, is the minister able to assure us that there are sufficient Conservative lawyers left in Ontario in order for him to be able to fill these vacancies?

Mr. Fulton: I can assure the hon. member that there are a vast number of Conservative lawyers in Ontario and in every other province and part of Canada whose friendship I am proud to claim and who undoubtedly, along with all the other citizens of Canada who will be voting for the present government, will see to it that the present government is re-elected in the next election. So my hon. friend need have no concern at all as to the number of lawyers of the Conservative faith in Canada or the number of Canadian people who have confidence in the present government.

Mr. Martin (Essex East): Does the Minister of Justice think it appropriate that he should take only Conservatives as potential candidates for the high office of judge in this country?

Mr. Fulton: Mr. Chairman, may I point out that I made no reference to Conservatives as candidates or potential candidates.

Mr. Martin (Essex East): You said they were the only people who could qualify.

Mr. Fulton: I said no such thing. My hon. friend, who for 22 years looked only to the Liberals with regard to appointments—

Mr. Martin (Essex East): That is not so. You know that.

Mr. Fulton: —seems to think that we do the same thing. I answered a simple question with regard to the number of Conservative lawyers in Canada. I made no reference to appointments to the bench. My hon. friend's guilty conscience betrays him.

Clause agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Chown): When shall the bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. Fulton moved the third reading of the bill.

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

CORPORATIONS AND LABOUR UNIONS

PROVISION FOR FURNISHING OF FINANCIAL AND OTHER STATISTICS

The house resumed, from Monday, April 2, consideration in committee of Bill No. C-38, to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada—Mr. Fulton—Mr. Chown in the chair.

On clause 1—*Short title.*

Mr. Howard: Mr. Chairman, I should like to ask the minister a question. Since Bill No. C-38 was introduced into the house and consequently was printed and became public property, has the minister received any representations with respect to it, and would he indicate the gist of those representations?

Mr. Fulton: Yes, Mr. Chairman, I have received a number of representations from companies, chambers of commerce and the Canadian Labour Congress. The representations with respect to Bill No. C-38 are not nearly as lengthy or as critical as they were with respect to Bill No. C-70 last session, which I think indicates that we have done a pretty good job of improving the legislation.

Mr. Howard: The minister has indicated that he has received representations and has

said that they were not as critical as those received last year with respect to Bill No. C-70, but I asked the minister to give the committee an indication of what the representations were.

Mr. Fulton: Mr. Chairman, they were such representations as, for instance, we have dealt with by the decision I announced yesterday, to provide that returns shall made in the first instance to the dominion bureau of statistics, and the other decision I announced that we would be amending the provision with respect to the method of handling the information once it is received. Therefore the bulk of the representations we have received in that respect have been dealt with by those two decisions.

With regard to other representations, those from the Canadian Labour Congress were discussed yesterday in the course of the debate on second reading and were dealt with by me in the course of my reply to the points that were made. The main criticism of the Canadian Labour Congress appears to be that by requiring corporations and trade unions in the same bill to make statistical returns we were somehow or other seeking to equate the conduct and activities of corporations and trade unions, a mistake which I assure you we would never make.

Mr. Howard: The minister has mentioned companies and chambers of commerce. I took that to mean the national chamber of commerce, but perhaps he has received representations from individual chambers of commerce as well. He also referred to the Canadian Labour Congress. Has he received any representations with respect to this bill from people in the academic or legal fields?

Mr. Fulton: The bulk have been from corporations, chambers of commerce and similar organizations, plus the Canadian Labour Congress. I understand that within the last few days a submission has been received from certain professors in the department of political science at Queen's University.

Mr. Howard: Could the minister indicate what their representations were?

Mr. Fulton: Do I take it that my hon. friend has not also received a copy?

Mr. Howard: Could the minister indicate what those representations were, in the same manner as he did with the C.L.C., the chambers of commerce and the corporations?

Mr. Fulton: I thought that since my hon. friend has presumably received a copy we might save the time of the committee by not being required to read it. However, a summary is that the professors expressed their support for the principle of the bill but they were concerned that the public, including academic researchers, were to be denied access to part of the information obtained under the bill, in particular the information contained in part B of the report made by corporations.

Mr. Caron: The minister spoke about the representations made by the Canadian Labour Congress, but he forgot to state that they said they had more extensive remarks to make if the bill were sent to a standing committee of the house. They said that in the last paragraph of the representations they made to the cabinet on March 14. That is why we asked yesterday to have the bill sent to the standing committee on industrial relations. Then everybody would know about it.

Mr. Fulton: Yes, Mr. Chairman, but I invited the Canadian Labour Congress to submit their further representations to me. They have done so, and I can assure the hon. member that, on careful study of the representations so submitted, I find they have all already been taken into account.

Mr. Caron: In the bill as it stands?

Mr. Fulton: In the decisions which we arrived at, and on the basis of which we drafted the legislation or the changes which I indicated to the house yesterday. I do not say that the bill in its present form, or the changes we will propose, will meet all the points made by the Canadian Labour Congress. What I do say is that their representations have been carefully considered and are either met in the bill or have been decided not to be sufficiently soundly grounded as to warrant other changes in the legislation.

Mr. Howard: With reference to the matter of sending this bill to a committee of the house for consideration, I can now see that regardless of the minister's statements yesterday as to how efficient he and his department are in drafting legislation and meeting the desires of the people affected by it, namely corporations and unions, he was in error. Perhaps he really did not want this to go to a committee. He has just made a number of comments, referring to the bulk of representations from chambers of commerce and the C.L.C. He also read part of a letter from what I believe is a department of Queen's University, and all these had proposed changes to Bill C-38.

The minister says some of these proposals have been met; but in denying the house the opportunity to send the bill to a committee the minister has kept these representations, ideas and thoughts with regard to changes in the bill, from being studied in a more formal way. He has also shown his

own opposition to the people affected by it, and has offered a great affront to the house.

It would have been much more in keeping with the dignity of the house had he explained on second reading yesterday that he had received representations, who the representations were from, and generally what they said. I believe he has admitted to this committee that in the first instance he did not want any great public scrutiny of the bill presently before us, and especially that he did not want to provide an opportunity to interested parties to appear before a standing committee, make known their views and be subject to cross-examination.

Mr. Fulton: I had assumed, and I am sorry if I was in error, that in view of the recent liaison—or shall I put it, dictation relationship—between my hon. friend and the C.L.C., the views of the C.L.C. as expressed to me would be known to my hon. friend from Skeena. If therefore there was any dereliction or failure to bring those views before this house I cannot see that I can be charged with that responsibility. All I have said is that the views of the Canadian Labour Congress were made known to me, and apparently in spite of all that has been said the liaison between the C.L.C. and my hon. friend is not as perfect as the country had been led to believe.

Mr. Howard: The minister, in his usual nasty way, has deigned not to answer the question.

Mr. Fulton: You did not ask one.

Mr. Howard: Well, he has not deigned to answer the representations and suggestions I made. Instead he has taken a roundabout and very nasty way of making accusations, which are unfounded and untrue, against members of the New Democratic party. Yesterday the hon. member for Hull and the hon. member for Vancouver South read into the record extracts from what I took to be the annual submission of the Canadian Labour Congress to the cabinet, which pleaded for certain things. I followed that very closely and it is my opinion, as an individual, that I must disagree with the people who prepared, drafted and submitted that submission. This does not represent any dictation, and may I say further that the minister's accusation that this party is under some dictation by a group of people is entirely untrue and unfounded.

It is true that we have a relationship with individual local unions which may desire to become related to us, but we are not like the minister's party which goes around by the back door and gleans its campaign funds from people who want special privileges, consideration and rights, and who get them from this government. We are not like the hon. gentleman who makes special arrangements for tax evasion situations for individual friends of his on the west coast. We are not that sort of party. We are the sort of party who are prepared to come out flat footed in public and explain our relationship with any group of people or any individual in this country.

Were I to engage in kind, and make a general reference to the low type of accusation which he has made against myself and my party, I would probably run foul of the rules of the house, and I certainly would not want to do that. Having listened to him I say that his accusations against myself and my party are unfounded and untrue, but perhaps they explain why he is not prepared to give us the details of the submissions made. This is another indication of the type of party to which the minister belongs. This is another of the smear type of accusations which he is wont to make on every occasion possible, and which he made only a while ago against the members of the official opposition. The public should know the type of party to which the minister belongs, and should know some of the things he has done, cloaked in secrecy, with reference to developments in British Columbia.

Mr. Fulton: I recognize, Mr. Chairman, that the hon. member is hard put to it to restrain his venom; therefore I make no comment in kind. I simply point out that this bill has been public knowledge since January 22 and I should have thought therefore, as I was indicating earlier, that views with respect thereto have had plenty of time to be made known. They have certainly been made known to me. They have all been carefully considered, and we have placed our proposals before the house and do not intend to be sidetracked from those proposals by the venting of the spleen of the hon. member for Skeena, to which we are all, unfortunately, becoming accustomed.

Mr. Howard: You deserve it, too.

Mr. Caron: Mr. Chairman, the minister just said that he has received a number of briefs and representations. That is all right; we admit that he has and that he has studied them and tried to do what is best with all the representations he received. But the other members of parliament did not have any knowledge of them. If this bill had been referred to the industrial relations committee instead of to committee of the whole, then we could have looked at those representations and perhaps we would have been in a better position to suggest amelioration of the present bill. Even if we accept the principle of the

bill, we suggest that there may be a way to ameliorate it. In this situation we have only the minister's word that the government have tried to comply with all the information and representations which have been made to them. We do not have that information; we did not receive any of those briefs; we do not know anything about what was said to the minister in this regard, either against or in favour of the bill. That is why I was suggesting that it should have been sent to the industrial relations committee.

Mr. Fulton: I appreciate that, Mr. Chairman. I can only say that I have given my reasons for not referring it to the committee. Of course I am not one to judge of the desirability of persons making their representations more widely known than they have done already. It certainly has been my impression that the representations which have been made to me have been made known to other people; perhaps not to my hon. friend from Hull, but I am under the impression that they have been made known generally to—

Mr. Caron: They have not been made known to the official opposition.

Mr. Fulton: —persons on the other side of the chamber.

Mr. Caron: Not at all.

Mr. Fulton: I am not, of course, in a position to prove that. In any event, I can only repeat that we have given the most complete consideration to these representations and no one that I know of, except the Canadian Labour Congress, has suggested that the bill should be referred to a committee in order that they might appear there and make their representations.

I am prepared to discuss here in committee of the whole—as of course it is my duty to do—every point of view that may be advanced. I assure my hon. friends in the committee that points of view which have merit will be entertained on that basis. I think this is the place to consider the bill and the suggestions which have been advanced.

Mr. Caron: I can tell the minister that outside of the memorandum which was placed before the cabinet on March 14 of this year by the Canadian Labour Congress, none of these briefs have been sent to the official opposition.

The Deputy Chairman: Shall clause 1 carry?

(Translation):

Mr. Deschatelets: Mr. Chairman, at this stage in our discussion, I have but a few remarks to make.

The minister was saying a while ago that there was a great difference between this bill and the one introduced last year, under No. C-70. In fact, they are as different as night and day.

Nevertheless, the bill as it now stands, while acceptable in principle, could be substantially improved in many ways.

That being the case, I should like to make a suggestion through which the administration of the act would become more practical, more efficient and less discriminatory toward the majority of the companies concerned, these companies which already submit innumerable statistical and other reports to the various government departments.

A brief submitted to the Minister of Justice (Mr. Fulton) by the Canadian Chamber of Commerce, on February 8, 1962, stated as follows:

(Text):

That consideration be given to specific exclusions in the bill of those corporations reporting similar information pursuant to the Companies Act and other statutes provided that such companies might be required to furnish additional information as is specified under the present bill.

(Translation):

I agree with that point of view, and I know that all corporations affected by part I of this bill also agree.

We must avoid any duplication of information and returns to be supplied by Canadian corporations.

I think that without realizing it, because of a mass of information asked from those firms, we have reached the point of saturation where many companies now need a considerable staff just to supply that information which involves absolutely unnecessary duplication.

We should be practical and, to that end, I would ask the minister to take into consideration the proposal which was made to him on February 8 by the Canadian Chamber of Commerce concerning the duplication of those returns.

Could it be that one of the amendments he has in mind will eliminate that useless duplication?

In my opinion, there is room for much improvement there.

Most Canadian companies comply readily with everything we ask them to do, but we could save them a considerable amount of work.

Would the minister be kind enough to comment on that part of the suggestion the Canadian Chamber of Commerce made to him last February 8 with regard to the duplication of returns?

(Text):

Mr. Fulton: Mr. Chairman, I am glad to find from what the hon. member has just said that, contrary to what the hon. member

for Hull said a moment ago, copies of the submissions made by various organizations are in fact in the hands of hon. members opposite.

Mr. Caron: Not officially. It is his personal affair.

Mr. Fulton: The hon. member for Maisonneuve-Rosemont just referred in some detail to the submission made by the Canadian Chamber of Commerce. I take no objection to that; I am just glad to point out—

Mr. Deschatelets: Mr. Chairman, on a question of privilege—

Mr. Fulton: —that that is the fact.

The Deputy Chairman: Order. The hon. member for Maisonneuve-Rosemont has risen on a question of privilege.

Mr. Deschatelets: On a question of privilege, Mr. Chairman, may I point out to the minister that I was reading from personal correspondence that I received which relates to only a few lines of a brief submitted to the minister. I am not at all aware of the submissions in the brief presented by the Canadian Chamber of Commerce, but I am aware of this part of their suggestions which a few minutes ago I asked the minister to consider.

Mr. Fulton: Mr. Chairman, I am very glad to consider it. There was a suggestion made that the bill should be altered so as to eliminate the duplication of reporting under this bill and under the Companies Act and other statutes. We considered that suggestion but came to the conclusion that the kind of statistics that were wanted here went far beyond what was contained in the returns required to be made under the Companies Act.

With respect to the kind of return that might be made under the Statistics Act, I think it could be argued, although I did not look into this personally and did not do so for a very good reason, that much of the information we are asking for here is contained in the returns made under the Statistics Act. But I have already referred to the reputation, tradition and feeling of confidence that exists between the bureau of statistics and those who make returns to the bureau under the Statistics Act, and the respect that is given to the tradition of confidentiality in connection with those returns. Since it is required here, and is required as a matter of policy, that there be public access to a portion of these returns, the part A returns at least, as well as a condensation and a report made of the analysis of the information contained in part B, we felt it was not appropriate to use for this purpose the information contained in the returns made under the Statistics Act.

We came to the conclusion, therefore, that however much we might wish to avoid placing upon businesses and unions the necessity for filing additional returns, the exigencies of the purpose we had in mind required new and separate returns to be made. That purpose was to place the government in possession of the detailed information which we needed, and in a position to use that information to the end which we intended, that is, the formulation of policy. I did point, however, in my speech on second reading that with respect to some portions of the return, particularly the summarized financial statement, a duplicate of the kind of statement which is filed with the Department of National Revenue would suffice. So wherever possible we have introduced provisions which will eliminate extra work, though we have felt it essential to require separate returns under this bill.

(Translation):

Mr. Caron: There is no doubt that, as far as duplication is concerned, corporations, and unions as well, will probably have to hire additional staff. I do not know whether the minister intended to solve the unemployment problem that way, but I may say, as I said during the debate on second reading, that if the minister had deemed it proper to append to his bill, as it may be done normally, a copy of the questions that might be asked, we would be in a position to determine whether that procedure would involve additional work and higher expenses on the part of those who have to answer those questions. But, unfortunately, the questionnaire will be drawn up only when the bill is approved, and the questions will be known only later, when it will be useless to protest because they will have been submitted already to the people concerned.

That is why I asked yesterday—and I hope the minister will be able to do so before the end of the study of the bill in committee—that the type of questionnaire which is to be addressed to corporations, unions and individuals, be produced.

(Text):

Mr. Fulton: I think the answer to the hon. member's comments is that the bill itself details the information which will be required. In that respect I think perhaps this statute is unique. I must say it has been drafted with the greatest of care in order to make sure it will speak for itself as to

the information which is required from corporations and trade unions. For this reason no questionnaire remains to be drawn up by the government.

(Translation):

Mr. Caron: The minister will certainly admit that the list in clause 4, referring to the series of particulars which are to be asked, does not clearly show the number of questions which may be added to it. A series of questions can be set out. For instance:

(Text):

(B) interest, classified according to the kinds of obligations on which and currencies in which such interest was payable.

(Translation):

Mr. Fulton: I beg your pardon—

(Text):

On a point of order, I wonder whether we could refer this kind of discussion until we reach clause 2, when I shall be prepared to answer in detail. I understand that we are on clause 1 at the moment. Would the hon. member be good enough to wait?

Mr. Caron: I was citing that part of clause 4 by way of example. The bill goes on to ask 10 or 20 questions to clarify this situation, and these requirements would create a lot more work for any corporation or union or individual who had to establish clearly what the government wants to know. If we had before us a measure along the lines I have indicated we should have the information enabling us to know exactly what trouble and expenditure it would cause the companies and the unions to fulfil the requirements of the government.

Mr. Fulton: The answer is that there is no such power given to the government or to any agency thereof to ask supplementary questions. The bill requires that corporations and trade unions should furnish certain information. If they do furnish that information, that is the end of their obligation. It is only when they furnish inaccurate information, or if they fail to make a return at all, that there is any breach of the statute. No power is given to the government to go around asking a lot of supplementary questions.

(Translation):

Mr. Caron: Does the minister mean that unions, corporations or individuals will decide for themselves what answers they are to give to the government or will they have to fill in a form, as it is done for income tax or statistics purposes, when we receive forms upon forms asking for information? Is the minister saying that the people from whom this information is required will make their own decision concerning the nature of the information, without having to fill in a form prepared by the department?

(Text):

Mr. Fulton: No, there will not be a formula prepared by the department. The bill itself contains in precise detail the requirements as to the information which corporations and trade unions are obliged to furnish. The only exception is with regard to the financial statement, the statement of income and expenditure and the statement of surplus. Only with respect to that part of the return is there any power to prescribe by regulation the detail which must be shown. What will happen in this field is that regulations will be promulgated after the bill has become law and they, again, will say precisely what information is required to be furnished in the financial statement. The purpose will be to standardize the information in the financial statement. So between the statute on the one hand and the regulations on the other, the precise detail in which companies and corporations are bound to make their returns will be set out. There are no supplementary questions or follow-ups to be made. The only query that will arise is (a) is the information accurate or (b) has the return been furnished at all?

(Translation):

Mr. Caron: Mr. Chairman, I am somewhat surprised to see that the minister seems to think that everything is clearly defined in his bill and that people will have to supply, on their own accord and under this bill, whatever information they feel justified in submitting to the government.

In every department, whether it be the dominion bureau of statistics or any other agency—if it was not so at the start, it has now become the normal practice—quite a number of questions are prepared in advance, for the enlightenment of the heads of the branches concerned. As a matter of fact, I would scarcely be surprised if the same course were followed, when information is required under the legislation now before us. Otherwise, I would be unable to understand it.

(Text):

Mr. Regier: I listened with a great deal of interest to what was said by the minister during his intervention yesterday, and I noticed his very nationalistic appeal. If we are ever to be masters in our own house, he said in effect, we require the information that is now being sought under the terms of this bill. I remember very well the election pledges of 1957 and 1958, that we were to restore the control of the economy of Canada to Canadians. If that is so vital, I should like to ask the minister to explain why it has taken the government four or five years to introduce a bill of this type which demands only basic information. I feel it

should not have taken the government four or five years to introduce legislation that does absolutely nothing to restore the control of our economy to Canadians but seeks only information which may or may not lead to legislative measures and other action that will help restore control over our economic destiny to the Canadian people. I remind the government that it was elected on the basic promise of restoring this control to Canadians.

I regard this bill merely as so much window dressing. It is a last ditch, desperate attempt on the part of the government to apologize for the fact that it has not only failed to implement this basic election pledge but also now faces the reality of the fact that the economy of Canada today is even more under the control of outsiders than it was at the time the government was initially elected in 1957. I do not think I have ever seen a bill that contains more eyewash than the legislation before us. It took the government four or five years to get around to introducing a bill under which authority is sought to gather basic information, with the ostensible end in view that after having obtained the necessary information measures might be undertaken to fulfil the election promise made in 1957 and repeated in 1958.

My real reason for rising, however, was the allegation, if not indeed the imputation, made by the minister when he spoke. I can report to the minister that contrary to his expectations I have received in connection with the bill now before us no representations in any form from the Canadian congress of labour. I am not under the dictation nor will I ever be of any group in Canada, be it the Canadian congress of labour or any other Canadian organization. However, let me assure the minister of this. Had that body made representations to me I would have considered them seriously because they would have represented the considered opinion of a large segment of the Canadian population. Those opinions would have weighed much more heavily with me than any representations that have been made by the Canadian Chamber of Commerce or the Canadian Manufacturers' Association. It is my contention that I am not now and never will be under the domination of the Canadian congress of labour or any other group, but if need be I would rather be under their domination than under that of the Canadian Chamber of Commerce or the Canadian Manufacturers' Association as I am sure the Liberal and Conservative parties have been over the years in this country.

Mr. Fulton: Mr. Chairman, I could give a harsh answer to my friend the hon. member for Burnaby-Coquitlam but I know him to be a sincere member who is much concerned about these matters, so I will refrain from doing that. I shall endeavour to deal with these points seriatim. It is true I suggested that in my anticipation the hon. members of the New Democratic party would have been provided with copies of the submissions made—I do not mean only those made to cabinet but made to me—by the Canadian congress of labour. I did not think there was anything wrong in that assumption or suggestion. I simply anticipated that in the nature of things that would be done. As I say, I was not criticizing it but was merely voicing my own expectation or understanding of what would be the fact. I am informed that is not the fact, and that I accept. I accept it one hundred per cent because the hon. member assures me he has not received that submission.

I can only repeat that as a result of an exchange of telegrams between the president of the Canadian congress of labour and myself I did receive submissions enlarging upon the contents of the Canadian congress of labour brief to cabinet. All the points contained in that submission have been carefully considered. Some of them, I believe, have been met; others, I believe, are not well taken; and with respect to others, I am simply unable to agree because they seem to me to arise from a fundamental misinterpretation of the purpose of this legislation.

With respect to the other point my hon. friend made, that this bill has been long delayed, especially as he put it, by a government which had as one of its basic tenets the bringing under effective Canadian control of the Canadian economy, I certainly cannot deny it has taken us four and a half years to design and bring in this legislation. However, let me point out two things. First, this is not the only measure we have taken in this field. I do not wish, Mr. Chairman, to lay the foundation for a discussion which would be out of order so I will be careful in what I say.

My hon. friend suggested this was the only step we have taken in this field. May I remind him it is by no means the only thing we have undertaken in this area. I remind the hon. gentleman of amendments introduced by this government to the oil and gas regulations in the Northwest Territories under which now you must be a Canadian citizen or a company must be under Canadian control if a permit is to be granted. That had not been done before. That affects vast areas of Canadian resources, and the measure was introduced by this government. I could also mention a number of other things this government has done to encourage and ensure effective Canadian participation in the development of the Canadian economy; but I think I would be out of

order if I got into that field. So let me come to the second point I wish to make in answer to the criticism that has been made.

It is true that it has taken four and a half years to bring this bill before the house. I only ask my hon. friend if he has ever tried to draft legislation dealing with such a prickly, thorny subject as this? Already I recognize it is not a complete excuse to plead difficulties and obstacles. Although that may not be a complete answer let me point out to my hon. friend that we have been making progress in this field. Our attention was directed first to matters such as I have mentioned, the partnership program with the provinces in enabling us to open up Canadian resources and the oil and gas regulations that I mentioned. Then our attention became focused on this aspect of it and it was, as it were, with increasing clarity we realized we really did not have the information to enable us to draw up specific measures dealing, for instance, with such matters as compelling or inducing Canadian subsidiaries of foreign owned companies to open their share registers to purchases of shares by Canadians.

We did not know what would be required to do that. So we found then that it would be necessary to obtain the information on which to base such a policy or such legislation. We therefore set to work to draft such legislation. I can assure my hon. friend that it was not just last year, although last year we introduced the bill. It is my recollection that it was at least a year previous to that time that we began to discuss in departments and between departments what it would be necessary to include in legislation such as that which we have here. These discussions advanced to the point where last year we were able to bring a bill into the house. Then the hon. member will recall the criticism—I do not know that it is exaggerating to call it the storm of criticism—with which the bill was met.

As I said yesterday in my speech on second reading, this criticism was quite understandable. We were experimenting in a new field altogether. I wish we had been able to devise a perfect bill the first time. However, I really do not think that I am obliged to apologize very profoundly for the fact that we were not able to devise a perfect bill the first time. We therefore let that bill stand for a while. We assessed the extensive criticisms we received from those companies and trade unions. We analysed and collated those criticisms. It was necessary to review the policy and then come up with a fresh approach which is now incorporated in the bill before the committee. Hence, it is a fact that it is four and a half years before this bill comes forward, but I can assure the hon. member that does not mean that we have been idle in the meantime.

Mr. Martin (Timmins): The minister has just told us that the stopping of foreign control is only one of many things for which the bill is designed. He listed a couple of other matters. It seems to me that he tried to create the impression that the situation is better since this government took office.

Mr. Fulton: And so it is better. The situation has improved.

Mr. Martin (Timmins): That is just another step along the road to distortion of actual facts. In spite of the steps that have been taken by this government, the fact remains that the situation is worse now than it was when they took office. I do not think the minister should get away with trying to create another impression in this House of Commons.

The Deputy Chairman: Shall clause 1 carry?

Miss LaMarsh: In his rejoinder to the last speaker, does the minister suggest that what has been announced, as has frequently been said in the public press, is not a fact, namely that there is more United States ownership of Canada now than there was five years ago?

Mr. Fulton: The hon. member for Niagara Falls is a well known statistical expert, Mr. Chairman, and I should not care to get into that kind of argument with her.

Mr. Matheson: May I indicate to the minister that not very many days ago I asked a question of the government with respect to foreign ownership of assets in Canada. I am not at the moment able to put my finger on the answer. However, it clearly indicated that up to the last date available the amount of foreign ownership since this government took office has been substantially greater than it was when they formed the government. That is one of the things that leads us to make comments on this bill. We think that the bill in many respects is designed to give the impression that the government is doing something about the situation, or cares to do something about it. I do not think that the bill does anything of the kind.

The Deputy Chairman: Shall clause 1 carry?

Mr. Pickersgill: Before it carries I might say that I think the Minister of Justice in this matter has shown discretion which might well have been shown by his colleague the Minister of Public Works on a television show the other day. The Minister of Justice at least has not said, in respect of dominion bureau of statistics figures that were produced in the house, what his colleague said about them namely, "Well, you may believe them; nobody else would do so". We all remember

that clownlike performance on television not so long ago which we on this side of the chamber are hoping to have repeated on some suitable occasion. However, in view of the rather broad play the minister has made without any kind of evidence to support it, it seems to me that the evidence which has been produced in the house should be put on the record before we go any further with this matter. These figures were given in the house the other day—

Mr. Fulton: Then why repeat them?

Mr. Pickersgill: —in reply to a question by the hon. member for Leeds, and they are on the record. In order that our proceedings should give a faithful reflection of what has been happening in this matter it seems to me that we should take the time necessary to do this, notwithstanding the extreme urgency of passing this bill. We all appreciate how urgent this bill is, how frightfully important it is that it should be passed before five o'clock and how greatly the passage of this bill is going to affect the fortunes of every Canadian.

Mr. Fulton: Repetition is not in order, Mr. Chairman.

Mr. Pickersgill: We all appreciate how the country was going to be saved by these disclosures.

Mr. Fulton: It is the hon. member who has been saved.

Mr. Pickersgill: We remember in times gone by that great crusade to liberate Canada from the economic slavery into which the country was driven in the days of long ago and which was changed on June 10, 1957.

Mr. Fulton: Hear, hear.

Mr. Pickersgill: I believe my hon. friend from Leeds is now able to put on the record the information which shows just exactly the extent and character of this liberation which has been brought about or is going to be brought about by this bill. As my hon. friend still seems to be engaged in his researches, I think the minister himself ought to tell us what he is able to give us from his own notes of the extent to which United States concerns have been bought out by Canadians and the extent to which the investment in Canadian companies has been reduced in the last four years so that we may have the basis on which the minister made his statement.

Mr. Fulton: I am not going to get into that sort of statistical battle with the hon. member. I made a statement that this is not the only front upon which we have been attacking this problem of Canadian control of Canadian resources. I referred to other areas such as the oil and gas regulations in the north. I particularly pointed out that I did not wish to be tempted into getting this discussion out of order. We are discussing here a bill for the disclosure of corporation and trade union statistics. My hon. friend has made certain assertions which he regards as being relevant. I am not sure that they are relevant, but it seems to me that it is up to my hon. friend to follow up that assertion and to relate it to the purposes of this bill. I would imagine that for every statistic quoted one way, another statistic could be quoted another way. However, it seems to me that what has been said so far indicates what I believe to be the case, namely that this House of Commons reflects the attitude of the country, namely, that we are concerned about the question of Canadian control of the Canadian economy.

I am glad to find that we are all concerned about that matter. I would therefore expect that hon. members of the opposition might be more concerned to look at this bill and examine it from the point of view of whether it does the job it is supposed to do, namely to make it possible for us to get information about the extent and effects of that control, rather than to indulge in this, may I suggest, rather fruitless statistical battle. I am quite prepared—indeed it is a premise upon which the bill is based—to admit that there is such a degree of foreign control of our economy today as to give us concern. I am not going to get into a statistical battle as to whether it be 60 per cent or 62 per cent nor am I going to get into a statistical battle as to whether it is 1.5 per cent or 2 per cent more than it was in 1957. It was enough in 1957 for us to be concerned about. It is still enough today to be concerned about. That is why we are introducing this bill.

Mr. Pickersgill: If I may say one word, Mr. Chairman, I think the hon. member for Leeds now has the statistics but I should like to say one word—

The Deputy Chairman: Order. I might well intercede at this point to suggest that the implications of the remarks that immediately preceded those of the hon. member for Bonavista-Twillingate tend to take us out of the realm of relevancy. I have been extremely tolerant all afternoon with the idea of moving along the business of the house and I hope I have not spoiled my day by doing so. I was going to point out to the hon. member for Bonavista-Twillingate that I recognized the hon. member for Skeena before he rose and I think he might perhaps defer to him.

Mr. Pickersgill: On a point of order, I think Your Honour was not in the chair the other day when we were discussing a very similar question having to do with continuity

in discussing a particular point. If the hon. member for Skeena is going to speak on this specific point then I defer at once, but if he is introducing a new subject I am sure he will be very glad to yield.

Mr. Howard: My remarks are precisely along this line. With deference to your suggestion, Mr. Chairman, that possibly we are getting out of order, I would point out that yesterday the minister himself made a very bloodcurdling, flag-waving speech in which the precise reason he gave for introducing the bill was the degree of foreign control. I might mention in passing that even on the amendment we moved the minister's argument was that it was out of order because the bill dealt with foreign control, percentages, statistics and degrees of foreign control. We know the minister likes to have two policies, one for the government side and one for the opposition; but his main theme yesterday was that the reason for introducing the bill was the degree of foreign control and the desire to know all the facts about it. Surely he cannot expect you now, Mr. Chairman, to put yourself into the unwise and unfortunate position of agreeing with him because he does not wish to have members follow up at this stage of the bill what he said yesterday. That is exactly the point with which we should be dealing because the degree of foreign control was the precise reason the minister gave yesterday.

I point out again, as I did yesterday, that certainly the degree of foreign control increased from 1957 to 1959. I put those figures on the record yesterday. Under this government foreign control of the manufacturing, petroleum and natural gas and mining industries increased from 61 per cent to 63 per cent in the period from 1957 to 1959. Far be it from me to attempt to support the government's point of view but I would point out that from 1954 to 1957 when we had a Liberal government foreign control increased from 55 per cent to 61 per cent, or 6 per cent in three years compared with an increase of 2 per cent from 1957 to 1959. Perhaps the minister can come to the conclusion that the increase has been less rapid under the present government than under the former, but we all know that one can take statistics and juggle them this way or that to suit one's convenience.

The fact is that there has been an increase. I cannot quote the minister's exact words of yesterday, but the fact is that in his opening remarks he said that 1957 was the last year for which statistics of this kind were available. He referred to foreign control of the mining and smelting industry to the extent of 61 per cent and also pointed out that the manufacturing industry was under non-resident control to the extent of 56 per cent. He said that 1957 was the last year for which statistics were available, but that is not the case. The same kind of statistics from which the minister quoted are available now for the year 1959 and were available even before the minister's speech was prepared. I will place them on the record.

Mr. Fulton: On a question of privilege, would my hon. friend permit me to say something? I admit that what he says is in part correct. My speech was prepared shortly after the bill was given first reading. At that time the last figures available were those for 1957. I admit to an oversight in not having realized that subsequent figures were published about 10 days ago, I believe. I had grown rather out of touch with the subject as I was not sure when the bill was going to come on so I am afraid I was not aware of that fact. I did not mean to mislead the house. The figures I had at the time I prepared my speech were the last available figures.

Mr. Howard: Mr. Chairman, it is delightfully refreshing to see the degree of frankness with which the minister approaches the question, and as a change it is very commendable. I commend his example to other ministers. I am glad I was able to assist the minister in rewriting his speech and bringing it up to date by my introduction of these statistics. The point is that over the years up to 1959 there has been an increase in activity with regard to the ownership, control and operation of Canadian industry and the Canadian economy by people outside of Canada. This has taken place both under the Liberals and the Tories and there has been an increase not only percentagewise but in total absolute dollar volume. I wonder whether I could call it five o'clock, Mr. Chairman.

Mr. Pickersgill: It is not five o'clock.

The Deputy Chairman: Order. It being five o'clock, it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business pursuant to section 3 of standing order 15.

Clause 1 stands.

Progress reported.

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

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. S-11, respecting the governing council of the Salvation Army, Canada east, and the governing council of the Salvation Army, Canada west—Mr. Wratten.

POLARIS PIPE LINES

The house in committee on Bill No. S-13, to incorporate Polaris Pipe Lines—Mr. Baldwin—Mr. Chown in the chair.

Clause 1 agreed to.

On clause 2—*Directors.*

Mr. Howard: I wish to make only one brief remark about this clause. You will remember, Mr. Chairman, that during the last session we had a lengthy debate on a bill to incorporate Aurora Pipe Lines. We spent many days debating it and one of the key points which we in the New Democratic party—then the C.C.F.—were trying to establish was that Canadians should be on the board of directors and that there should be Canadian control of that company, at least from the directors' point of view. Parliament agreed with us and an amendment was made in committee providing for that.

I am glad to see that that principle, for which we were primarily responsible in establishing at the last session, has been carried forward to a degree in the present bill to incorporate Polaris Pipe Lines, at least to the extent that this clause requires that the majority of the directors of the company "shall, at all times, be persons resident in Canada and Canadian citizens." Should the government believe in dealing with these things by steps, then we think this is one of the concepts that should be promoted as an additional step towards ensuring that there is control of the operations of corporations in Canada, at least to the extent of having Canadian citizens on the board of directors. It seems to me we should establish a requirement in our private bills rules that all such bills in future have a clause similar to this. In fact I believe we should have a provision to that effect respecting all companies incorporated under the Companies Act. This would be a statutory indication of public policy by the government and parliament, and it would be much better than pious statements from the government without any concrete action being taken to accomplish what they say.

Clause agreed to.

Clauses 3 to 11 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Private Bills

RELIANCE INSURANCE COMPANY OF CANADA

Mr. Murray Smith (Winnipeg North, for Mr. Lafreniere) moved the second reading of Bill No. S-12, respecting the Reliance Insurance Company of Canada.

He said: The sole purpose of this bill is to add a French version to the name of the Reliance Insurance Company of Canada.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

THE UNITED CHURCH OF CANADA

Mr. M. D. Morton (Davenport) moved the second reading of Bill No. S-16, respecting the United Church of Canada.

He said: Mr. Speaker, perhaps I should give one word of explanation. At the present time the United Church of Canada Act limits the investment in common stock to 15 per cent of the ledger assets of the corporation, which in turn limits the corporation pension fund. The purpose of the amendment is to remove this restriction.

When the basic act of the United Church of Canada was passed in 1924 the investment powers were very much restricted. There was an amendment to the act in 1951, which set out the investments to be limited in accordance with the Canadian and British Insurance Companies Act, chapter 31 of the revised statutes of 1952, as they are now cited. At that time it restricted the type of investments, and also restricted investment in common stock to 15 per cent of the funds. This act hopes to remove that limitation so that they can invest more than 15 per cent of their funds in common stock. At the present time there is about 12.5 per cent of their funds invested in such stock.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I deeply appreciate the relatively low income of the members of the clergy of all denominations in Canada, and I subscribe to the good intentions of parishioners who want to provide adequately for the retired clergy to their respective religious denominations.

However I cannot fail to record once again that not too many centuries have passed since the practice of usury was a cause for expulsion from the Christian community. I have no intention of opposing the bill now before us, but I do hope that the religious communities of Canada do not become overburdened in beginning to engage in playing the stock markets, regardless of how worthy the cause may be. I intend to support the bill because I know that the cause it espouses is a worthy one. Even though 99 per cent of the time I agree with any request that is

made of the public and parliament by the United Church of Canada, I know the United Church would be the first to understand the particular warning that I am intending to sound at the present time.

Many religious communities in the world today are among the most unscrupulous landlords in existence. I know this does not apply to the United church. I do not intend to oppose this bill, but I do feel that we should not neglect to take note of what is happening in this field.

Mr. McGee: Mr. Speaker, would the hon. member care to elaborate on the rather unsavoury suggestion he put forward and tell us what he had in mind when he was making that suggestion.

Mr. Regier: Mr. Speaker, I leave it to the hon. member to do his own research.

Mr. Speaker: I am afraid I cannot accept the invitation to elaborate on what seemed to me to be largely irrelevant.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

GREYMAC MORTGAGE CORPORATION

Mr. R. J. McCleave (Halifax) moved the second reading of Bill No. S-18, to incorporate Greymac Mortgage Corporation.

He said: Mr. Speaker, this is a bill to authorize the incorporation under the Loan Companies Act of a mortgage company with a capital stock of $1 million, a subscription of $500,000 before a general meeting of the shareholders may be called, and providing for $200,000 to be paid into the treasury before the company can commence business. The head office is to be in the city of Hamilton.

A mortgage corporation of this character cannot, under the provisions of section 4 of the act to which I have referred—that is, the Loan Companies Act—be incorporated by letters patent; it must be incorporated by act of parliament. It may be of interest to the house to learn that this will be the third such company, as I understand it, to be incorporated under the Loan Companies Act. The act requires that one of the steps in incorporating is that a model bill be drafted as prescribed by the act. This bill, Mr. Speaker, is in the form so prescribed.

There is a need for a company to supply additional mortgage money under the National Housing Act and this company is being formed for that very laudable purpose. The mortgage funds available across the country will be increased upon the commencement of business by this corporation, and it is intended that it will be able to provide both National Housing Act loans and conventional loans.

[Mr. Regier.]

The powers of a company incorporated under the Loan Companies Act are found in sections 60 and 62. Section 60 provides the power to lend money on the security of mortgages, but the amount of the loan is restricted by subsection 1 (f) in that they can lend on the security of such mortgages only to two thirds of the value of the security. This is the conventional mortgage loan, and I am sure those hon. members who are lawyers will be familiar with it and the ceiling placed on it.

Under the National Housing Act, however, a company of this nature may become an approved lender by applying to Central Mortgage and Housing Corporation, and having acquired this status such companies may lend a much higher percentage of the value of the security; in some cases as high as 90 per cent. We know how much this additional lending power or the raising of the ceiling means to young people particularly, who may not have too much money laid aside but none the less wish to own their own homes. Moreover, these loans under the National Housing Act are fully insured, so that trust funds can be invested in such mortgages.

I think I have indicated that the applicants intend to enter both the conventional mortgage field and the National Housing Act field. It is also intended to utilize the provisions of section 62 of the act to which I referred, whereby a company incorporated under that act is permitted to act as agent for other companies or individuals supplying money for the purposes of lending upon the security of mortgages.

Mr. Speaker: Order. Before the hon. member goes further, would it not be more appropriate for him to introduce this matter in committee? The bill itself does not contain anything about the company's intentions; it simply gives the company capacity to undertake mortgage business. I think it would be irrelevant to indicate now what the company proposes to do after it is incorporated.

Mr. McCleave: Thank you, Mr. Speaker. Then perhaps I could close my remarks very quickly in connection with this bill by indicating that to my knowledge two other companies have been incorporated under special act. For the interest of the house, they are Gillespie Mortgage Corporation, with its head office in Vancouver, incorporated in 1955 by special act; and General Mortgage Service Corporation, with its head office in Toronto. I believe the application by this corporation is currently being considered by parliament.

Mr. Frank Howard (Skeena): Mr. Speaker, I would only like to mention that I hope the committee, of which I am not a member, to

which this bill will be sent will explore the possibility of making an amendment to the bill which will require that the directors of the company, as occurred with Polaris Pipe Lines and Aurora Pipe Lines last year, will be composed either entirely or by a majority of people who are Canadian citizens and resident in Canada, akin to what we have done with other bills in the past.

Mr. McCleave: Perhaps, Mr. Speaker—

Mr. Speaker: Order. I must inform the hon. member that if he speaks now he will close the debate.

Mr. McCleave: Perhaps I could set at rest the mind of the hon. member for Skeena (Mr. Howard) by assuring him that the five incorporators of the company and the shareholders will be Canadians. I understand that it is a possibility that United States money will be used by the company to put into home building in Canada. This would not be in the nature of a United States shareholding interest but rather for loans.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

CANADIAN PACIFIC RAILWAY COMPANY

Mr. R. D. C. Stewart (Charlotte) moved the second reading of Bill No. S-17, respecting Canadian Pacific Railway Company and certain wholly owned subsidiaries.

He said: Mr. Speaker, the purpose of this bill is to vest in the Canadian Pacific Railway Company the railways and undertakings of three wholly owned subsidiaries.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

AERONAUTICS ACT

AMENDMENT TO PROVIDE CANADIAN AIRCRAFT REGISTRY

Mr. John Drysdale (Burnaby-Richmond) moved the second reading of Bill No. C-35, to amend the Aeronautics Act.

Mr. Pickersgill: Mr. Speaker, I wonder if the hon. gentleman could move from British Columbia to somewhere in the centre of the country so that we may hear him a little more easily.

Mr. Drysdale: Mr. Speaker, in reply to the hon. member, I would like very much to do so, but it has been tried several times and I have a distinct recollection of the interpretation of the rules which confine me to this corner.

Mr. Pickersgill: I am sure there would be unanimous consent.

Mr. Speaker: If the hon. member is interested in unanimous consent being obtained, I shall inquire. Is the house agreeable to the hon. member moving to a seat more centrally located for the purpose of presenting his argument?

Some hon. Members: Agreed.

Mr. Pallett: Provided he does not cross the floor.

Mr. Speaker: The unanimous consent, I may say, is limited to this occasion only.

Mr. Pickersgill: Do not make any announcements for the government like your predecessor did.

Mr. Drysdale: This is probably the closest I shall get to the cabinet this session, but I certainly appreciate the honour and the suggestion of the hon. member.

This bill dealing with a central aircraft registry is one which I introduced during the past session as Bill No. C-37. It is a matter of considerable importance to the people in the aviation industry and because it is a measure of a somewhat technical nature I propose at this time to supplement the remarks I made on that occasion. I should like to refer any hon. member who is interested in this subject, and who wishes to look back, to the remarks I made then as recorded in *Hansard*, volume 7 at pages 7337-7343.

The purpose and principle of the bill is relatively simple, namely the establishment of a central aircraft registry to record title to and charges against Canadian civil aircraft, aircraft engines, propellers and spare parts. One of the most important aspects of the bill deals with the financing of aircraft, which is related to the degree of title protection which a finance agency may obtain on the security of an aircraft. In order to supplement the remarks I made in my previous speech on this subject, I should like to refer to a draft brief which has, I understand, been submitted informally to the Department of Transport and which was drawn up by Mr. Frank Kennerley, a lawyer who specializes in aeronautical matters and who has had a great deal of experience in aviation law. The brief will require the approval of the Canadian Bar Association, the air industries and transport association of Canada and of the industrial development bank, but I propose to refer to some of the factual historical background which is provided very concisely in the brief. This, I think, will be of interest to hon. members and also to the Minister of Transport.

In this brief Mr. Kennerley says:

The certificate of registration for a Canadian aircraft issued by the Department of Transport is misleading to the uninformed and does not mean that the "owner" thereon named has clear legal title to the aircraft.

I think this is important, because I wrote to all of the provincial attorneys general and in the reply from the province of Quebec, I believe it was, it was indicated there was already a registration procedure established. That is correct, but it deals only with the registration of aircraft and has nothing to do with encumbrances. I continue to read:

In fact, the purchaser under a conditional sales contract, who has no legal title to the aircraft, is named on the certificate of registration as the "owner" and is so defined in the air regulations.

The finance agency must, after it is satisfied that the aircraft title is clear, also protect its prior claim in the aircraft title from subsequent purchasers, mortgagees and creditors of the owner.

The interest of title to an aircraft is therefore twofold. First, those persons who are concerned with what, if any, prior liens or encumbrances in the form of chattel mortgages, conditional sales contracts, and so on affect the title to the aircraft. Second, those persons who are concerned with the registration or giving notice to subsequent purchasers, mortgagees or creditors of prior interest in the title to the aircraft.

These interested parties must search in all common law provinces of Canada where the aircraft may have been for any registered encumbrances against the aircraft. The log book of the aircraft is of some assistance in determining where to search, but log books are not always accurate, and if a fraud is to be perpetrated, the fraudulent person is unlikely to disclose in the log book that the aircraft was ever located at the place where the encumbrance is registered. A proper search for encumbrances would involve searching every country where the aircraft may have been in every common law province that did not have a central registry. The search would be somewhat easier in those common law provinces where a central registry was located. Failure to make such a complete search may result in the aircraft landing at a distant airport only to be repossessed or seized under an encumbrance registered in the county or province where the airport is located. It is obvious that great time and expense is involved in making such a proper search. Even after completing such an exhaustive and expensive title search, the aircraft title may still be affected by an encumbrance in Quebec that is not required to be registered.

How may a finance agency protect its interest, as secured by a chattel mortgage or conditional sales contract, in a Canadian aircraft against the rights of subsequent purchasers, mortgagees or creditors?

Each of the nine common law provinces of Canada has by legislation provided for the registration of chattel mortgages and conditional sales contracts. In some provinces registration is made in the county where the aircraft is situate at the time and must be made within a limited time after the date of the transaction. This registration is effective notice to subsequent purchasers, mortgagees and, in some instances, creditors of the person in possession of the aircraft, provided the aircraft is not moved out of the county where the registration was made.

[Mr. Drysdale.]

I emphasize the word "provided".

The common law provinces of British Columbia, Saskatchewan and Alberta have established one central registry for the province to include aircraft so that the registration of the encumbrance is similarly protected, provided the aircraft does not leave the province. Newfoundland is in a similar position as there is only one registry for encumbrances for the whole of the province.

All of the common law provinces have legislative provisions for the reregistration of chattel mortgages and conditional sales contracts when the aircraft is moved. In some cases where there is not a central provincial registry, from one county to another in the same province, and in all cases where the aircraft is moved from one province to another. The time limit for such reregistration varies from 20 days to two months, and in some provinces the time runs from when the mortgagee or conditional seller receives notice of the removal of the aircraft; in other provinces the time for reregistration runs from the time the aircraft is moved notwithstanding the mortgagee or conditional seller did not know about the move.

The province of Quebec, although not a common law province, has provision for registration locally throughout that province for encumbrances in certain instances. In other instances there is no provision for registration and the rights of the holder of the encumbrance against a third party are not impaired if the aircraft is purchased by the third party without notice of the prior encumbrance.

The finance agency, to protect its interest in the aircraft secured by a chattel mortgage or conditional sales contract, must follow the movement of the aircraft and register its security in accordance with the particular laws of the province where the aircraft is from time to time located. Failure to do so may result in loss of its interest in the aircraft.

A further difficulty is encountered in that the registration of chattel mortgages and conditional sales contracts must be renewed after periods varying from one to three years depending on the province of registration.

An example of the present situation in Canada would be if an aircraft is sold to an operator based at Malton airport, the seller taking a chattel mortgage from the purchaser as security, and registers the chattel mortgage in the county of Peel where Malton airport is located. Unknown to the conditional seller, the aircraft is moved to Toronto island airport and remains there for a few months during which time the purchaser goes into bankruptcy. The Toronto island airport is situate in the county of York and the relevant law of Ontario requires that the chattel mortgage must be registered in the county of York within two months after the aircraft is moved there. The failure to reregister in the county of York results in the seller who held the chattel mortgage losing that security and only being able to claim in the bankruptcy as an unsecured creditor.

Another example that has actually occurred recently was the case of an aircraft based at Winnipeg that was flown to Ontario and left in Ontario as security for charter services rendered. About three months after the aircraft had arrived in Ontario the finance agency, which held a chattel mortgage registered in Winnipeg, discovered that the aircraft had been moved to Ontario, at which time it was too late to reregister the chattel mortgage in Ontario. The finance agency, as a result, lost its security in the aircraft.

I should like to point out, as I did in the speech I made last June, that the suggestions I make with regard to this proposed central

aircraft registry have the approval of the Canadian bar. I believe there were resolutions in 1956, 1957 and 1958 to this effect.

Mr. McGee: Would the hon. member permit a question at this point?

Mr. Drysdale: I would prefer to get everything on the record if I could. I should like to answer questions at the end.

During the last part of my speech on June 30 of last year I spoke of a letter I had sent to the various provincial attorneys general based on my opinion that this matter was purely one of federal jurisdiction; but there was some possibility, since it dealt with encumbrances and chattel mortgages within the provinces, that it might come within the purview of provincial rights. Therefore I directed a letter to each of the attorneys general of the ten provinces drawing attention to the bill I was introducing and asking for their comments. On June 30 last as reported in *Hansard* of that date I read out in complete detail the replies I received from British Columbia, Alberta, Manitoba, Ontario, Quebec and New Brunswick.

Subsequent to my bill being discussed in the house on June 30 last I have received two further replies and following my procedure of endeavouring to put the matter on the record in as complete form as possible I wish now to read the replies received from Saskatchewan and Nova Scotia. I might point out that in the correspondence reference is made to Bill No. C-37 as it was known in the previous session. The same measure is now known as Bill No. C-35.

The first is a letter from Hon. R. A. Walker, attorney general of Saskatchewan under date of June 28, 1961:

Dear Mr. Drysdale:

Re: Bill C-37

I have been considering your proposed amendment to the Aeronautics Act.

In so far as this is a matter relating to aeronautics, it falls outside the responsibility of this government and I would prefer not to make any comment.

It does appear to me, however, that if this bill is enacted it might conflict with provincial legislation governing conditional sales, bills of sale, chattel mortgages and the registration of these documents. As your bill lacks a number of the provisions presently existing in provincial legislation with respect to such matters it would not cover the area as comprehensively. I would therefore be pleased to have your views as to whether your amendment would override provincial legislation presently in force affecting instruments of title to aircraft. If you consider that it would so override, I would invite you to consider the legislation of the various provinces on this subject with a view to incorporating some of the provisions not found in your amendment.

Yours sincerely,

R. A. Walker,
Attorney General.

Under date of July 4, 1961 I received the following reply from Hon. R. A. Donahoe, attorney general of Nova Scotia:

Dear Sir:

Re Bill C-37

I have your letter of the 6th June, and had previously received your letter of the 6th April which had been referred to the departmental staff for their consideration and recommendation.

In fact, we have no provision in Nova Scotia for the registration of aircraft, and there has been no proposal that we should institute legislation providing for such registration or for the registration of encumbrances against aircraft as such. In the absence of such specific legislation, I presume that in appropriate circumstances our bills of sale act or conditional sales act would apply to aircraft.

Further to the above, I can only add that I am personally in sympathy with the general concept of a central registry for aircraft and encumbrances against aircraft, and I am confident that any request from the federal government for legislation complementary to any federal enactment would be well received in this province.

Yours very truly,

R. A. Donahoe

I should point out too, Mr. Speaker, that up to the present time I have not received a reply from Prince Edward Island or Newfoundland, but with the two replies I have just read I have now received replies from the other eight provinces.

After I made my comments in the previous debate the hon. member for Laurier, the former minister of transport in the Liberal government, offered some very constructive criticism of the proposed legislation. I wish to place on the record a comment made by the hon. member for Laurier as reported at page 7344 of volume 7 of *Hansard* for the 1960-61 session. The hon. gentleman stated:

That is why I think we should have two things so far as this bill is concerned. First, as is customary we should have the opinion of the minister. What does the Minister of Transport (Mr. Balcer) think about this legislation? Second, we should be informed whether or not the Minister of Transport has submitted the bill to the Department of Justice to ascertain whether or not it is an infringement of property and civil rights.

I put on the record in the previous debate a considerable amount of material and the hon. member for Laurier said he had some difficulty following it. I should like to refer to the fact that the letter dated April 15, 1959 from the former minister of transport, the hon. member for Broadview, is to be found at page 7339 of the same volume of *Hansard*. With respect to the jurisdictional aspect he said that in relying on an opinion from the Department of Justice the legislation was within the jurisdiction of parliament.

Supplementing these observations I wish now to read an exchange of correspondence between myself and the Minister of Justice

and the Minister of Transport. I regret having to put on the record so much correspondence and detail but I feel it is the most constructive way of providing for the utmost circulation of the material I am about to present at this time.

Under date of June 30, 1961, I received the following letter from the Minister of Justice and Attorney General of Canada:

Dear John:

I acknowledge with thanks your letter of May 20th forwarding to me a copy of a letter you have received from the attorney general of Ontario, Mr. Roberts, suggesting that your Bill C-37, entitled an act to amend the Aeronautics Act, be placed by me on the agenda of the commissioners on uniformity of legislation for discussion this summer.

This group was meeting, I believe, in Winnipeg, just prior to the annual meeting of the Canadian Bar Association. I continue:

As I understand your bill its intention is to provide for a central registry for the recording of title to, and encumbrances on, aircraft registered in Canada. The establishment of such a registry would seem to me to be a matter within the jurisdiction of parliament and not of the provincial legislatures, and I would therefore suggest that you discuss with my colleague the Minister of Transport the feasibility of his department establishing such a central registry for aircraft.

So far as the commissioners on uniformity of legislation are concerned, the principal function of that body is to recommend uniform provincial legislation, and under the rules of procedure adopted by the commissioners a few years ago matters are not ordinarily placed on the agenda unless there is reasonable likelihood that any model act prepared by the commissioners will be adopted by at least three provinces. Since the subject matter of the bill under discussion falls within federal rather than provincial jurisdiction, it would not seem to be appropriate to refer this to the commissioners.

Yours sincerely,

Davie Fulton

I received that letter on July 13. Under date of July 14, 1961 I wrote to the Minister of Justice as follows:

Dear Davie,

Thank you very much for your letter of 30 June 1961 concerning the central aircraft registry. You are quite correct that the matter is within federal jurisdiction or competence. However, the registration of encumbrances on aircraft is within provincial jurisdiction also, and it appeared to me that it would be extremely valuable to have provincial government reaction or comments on such a registry before it was established because they can insist on continuing provincial registration requirements. In fact, there would have to be legislation passed in each province stating specifically that registration in the central aircraft registry was sufficient and that registration in provincial registries was no longer necessary.

It is for the reason of notifying the provincial attorneys general that I thought this matter should be placed before the uniformity commissioners, in order to get their reaction and the necessary provincial co-operation. Would it be possible, therefore, to bring this matter before the commissioners to obtain provincial reaction to the central aircraft registry?

Yours sincerely,

John A. W. Drysdale.

On August 3, 1961 the Minister of Justice replied to my letter as follows:

Dear John:

Thank you for your letter of July 14th setting forth your further views as to why you feel your Bill C-37, entitled an act to amend the Aeronautics Act, should be placed before the commissioners on the uniformity of legislation this summer.

It is my understanding that apart from possibly the conditional sales acts there are no statutes in the provinces providing at present for the registration of aircraft or of personal property in general. Any amendments required to the conditional sales acts would be to remove aircraft from the kinds of property that might be registered under these acts. In any event, if the legislation as passed by parliament to establish a central aircraft registry was framed so as to be legislation in relation to aeronautics and not in relation to property, I am of opinion that complementary provincial legislation would not be required in order to make it effective.

As I mentioned in my letter of June 30th to you under the rules of procedure of the conference matters are not placed on the agenda unless there is a reasonable likelihood that any model act prepared by the conference will be adopted by at least three provinces. As no provincial legislation apart from possible amendments to the conditional sales act would appear to be required in order to make a central aircraft registry effective in Canada I do not feel any useful purpose would be served in referring this matter to the conference at this time.

Yours sincerely,

Davie Fulton.

Mr. Speaker: Has the hon. gentleman finished? If not I might ask the house whether it would give him a minute or two more to finish his reading.

Mr. Pickersgill: I should think it is just a minute or two. We do not wish to exalt the hon. gentleman too much.

Mr. McGee: On the point that has been raised, Mr. Chairman, may I say this. In discussions prior to the making of arrangements which are now in force concerning time limits during private members hour, I think perhaps this was one of the kinds of bills or one of the situations in which we anticipated unanimous consent would be allowed to the mover in order to complete his presentation of a rather complicated and complex subject.

Mr. Speaker: I would think then that, subject to the limitation of being only a matter of two or three minutes, the hon. member has the consent of the house.

Mr. Drysdale: I thank you, Mr. Speaker. I should also like to thank the house for the courtesy extended to me. I had perhaps not paced myself too well. Perhaps all I can say is

that the Minister of Transport confirmed basically the opinion that was expressed in this letter to the Minister of Justice. I think that would help to dispose of the jurisdictional question raised by the hon. member for Laurier.

In view of the fact that you want a very brief summation, Mr. Speaker, I think perhaps I should say this. I have tried to indicate as clearly as possible the foundation namely, first of all that the federal government has jurisdiction and second, the necessity for such a central registry. The positive suggestions I should like to make at the present time would be first, to recommend to the Minister of Transport that D.O.T. officials and representatives of Canadian aviation be sent down to Oklahoma city in the United States where the present central registry is located, in order to inspect and subsequently to report on this registry. Second, I would recommend that the Minister of Transport have the department investigate present Canadian registration procedure and see what steps would be required in addition for a central aircraft registry.

Third, I would propose that draft legislation should subsequently be drawn and submitted to a committee of the house and that representations should be requested from the provinces and interested aviation people. I think the growth of air transportation brings me to my final recommendation, and that is something that has been emphasized. In Montreal there is ICAO, the international civil aeronautic organization which is the U.N. central air organization. We have IATA, the international air transport association as world headquarters. In McGill University we have the McGill institute of air and space law. I would suggest that, in conjunction with the recommendations that I have made, it would seem suitable that consideration should be given by the government to uniting all the functions dealing with aeronautics and, I would suggest also, all the functions dealing with outer space—I believe this year Canada will be using a United States vehicle in order to launch her own satellite—and to creating a ministry of air and space which would take in all these functions. The space aspect might perhaps seem to be a little bit premature. However, it should be remembered that Canada has been an active participant in the U.N. committee dealing with outer space and has been one since 1958.

I should like to thank the hon. member for Bonavista-Twillingate for being able to get me within shooting range, and I should also like to thank the house for providing me with this extra time.

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): Mr. Speaker, I listened with great interest to the hon. member for Burnaby-Richmond and I should like to congratulate him on the thoroughness with which he prepared the statement to which we have just listened. As for myself, may I say that I have a great interest in this matter for a number of reasons. However, I hasten to add that if I am long on interest, I am short on technical knowledge. Nevertheless, Mr. Speaker, I would ask you to accept my interest as a reason for my making these remarks rather than my ability to make any profound suggestions with respect to the matter before the house.

There are several reasons for my interest. One is that I come from a province in which air transport is an ever growing necessity. To speak specifically, I may say that my riding is the centre of the aircraft industry in Newfoundland. I refer to Gander. There is no need for me to elaborate, nor is this the time at which to do so, on Gander's place historically in aviation and where it stands today. I might also mention Goose Bay and Labrador. However, the thought to which I should like to give expression is that aircraft are being used more and more in an ever increasing number of fields of endeavour in Newfoundland. The medical health services of the province and the department of health use aircraft. The international Grenfell association needs them. In Labrador they are essential in these respects. Mail is delivered by aircraft in wintertime. Then there is the ordinary conventional use to which aircraft are being put in Newfoundland. I might mention fisheries in particular. There is a growing need for the increased use of aircraft for various purposes. I might add that our province was made for the use of aircraft and that we should like to see aircraft used even more to the betterment of the people.

Those few remarks probably explain the basis of my interest, apart from the personal interest which I have in the use of smaller aircraft. I think of my own personal interest in the flying club association, for instance. However, the fact of the matter is that in the world in which we are living aircraft are being used more and more by governments, corporations and individuals.

I think perhaps the comparison made of aircraft with ships is a fair one or the suggestion that a central registry is needed for aircraft in the same way as one is needed for shipping. Despite the increasing use of aircraft by individuals, by the very nature of their use they still resemble ships more closely than they resemble motor cars. In saying that I am not thinking of the fact that some alight on the land and some on the water. I am thinking of the whole concept

of flying, the use to which aircraft are put and the distance which even the smaller aircraft of today is expected to cover.

As they grow in number the problems which the hon. member seeks to meet through his bill are certainly becoming more acute. We are not dealing with just a few aircraft in an occasional place or in few areas. We are dealing now with a vehicle which is in widespread use throughout the length and breadth of Canada and which promises to come into ever greater use as time goes by. As I say, I think the idea seems to be a sound one in what it wishes to avoid and what it wishes to bring about. However, I must admit that I am speaking as a layman with regard to this problem. At first glance, I think that a central registry for aircraft seems to be a good idea. If I now appear to condemn by faint praise, that does not mean at all that I am against the bill. One or two matters which were raised—and incidentally I may say they were raised by the hon. member for Burnaby-Richmond when he sought to answer them this afternoon—have not been answered quite to my satisfaction, although it is quite possible that I did not follow him carefully enough or that I misunderstood some of what he said. I think he did very well in pacing himself to keep within his time.

As I said, this matter is a technical one. Last year the hon. member for Laurier raised one objection which the hon. member for Burnaby-Richmond sought to answer today. That is the question of whether or not the bill infringes provincial rights. In listening to the hon. member I gathered that he has not yet had replies from one or two provinces, including Newfoundland. I may be mistaken in my interpretation of what he said but it did not seem to me that the arguments he advanced completely met the problem of whether or not the bill is in conflict with provincial jurisdiction. I do not know either, but I think it is one matter that should be thoroughly investigated so that we will know the answer beyond any shadow of doubt before any move is made. Before the bill becomes law and a part of the aeronautics legislation of Canada I think parliament ought to be sure that it is clearly within federal jurisdiction without any conflict whatsoever with provincial rights.

The other suggestion that was made last year was that the bill should go to a committee for complete examination. I believe the hon. member has conceded that point and has said that this should be done. It is quite likely that the objection I have raised as to the possibility of the bill being in conflict with provincial jurisdiction would be dealt with right in that committee. As a matter of fact, I would assume that a committee studying the bill would make very sure that it was clearly a federal matter. As the hon. member has already suggested that a committee should examine the bill, I believe the criticism I have raised with respect to possible infringement of provincial jurisdiction would be dealt with at that time.

Other than making these two points and emphasizing again the importance of legislation regarding aircraft, there is not much more I wish to say. I would point out that the use of aircraft is growing and unquestionably will continue to grow. Aircraft of various sizes are becoming a common sight in the skies of Canada. There is an increase in private flying which in itself makes this legislation very interesting and legislation to which serious consideration certainly should be given.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I certainly do not intend to talk out the bill but on behalf of the members of this group I wish to say that we appreciate the intent of the hon. member for Burnaby-Richmond to bring law and order to bear with regard to this problem. I should also like to endorse the remarks just made by the previous speaker with regard to jurisdiction. In the light of the replies that the hon. member for Burnaby-Richmond has already received from eight attorneys general, I too would hope that the bill might be submitted to the scrutiny of a committee and I believe that point could be explored at that time. Our group certainly intends to support the bill.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I want to congratulate the hon. member for Burnaby-Richmond on his imaginative and well arranged discourse in introducing this bill. As a matter of fact, when he spoke last year I was not inclined to agree with him, but it would appear that he has profited from the criticisms directed against the measure last time and also because of his temporary change of venue this afternoon. I am sure those hon. members who have been in the house longer than I will appreciate that a move of a very few feet in the place from which one speaks sometimes makes considerable difference in the measure of authority with which one addresses the house.

The bill is a good one, the principle is fine and I support it. The issue as to its constitutionality which was raised and discussed is not one which can be easily determined in the comparatively short time in which I am permitted to discuss the bill. Judging from the course of conduct of the house over the last few days, I would assume that the bill may well come up for discussion again at some future time before the session ends.

From my study during the time I have been able to give to an examination of the constitutional issue it is my opinion that the bill is a valid one. The only two provisions that I think may involve a constitutional issue are found in subsections 3 and 4 of section 26. Having in mind that this matter is the responsibility of the federal government and that under the ancillary rule a matter once assigned to the federal government may be pursued by ancillary measures, I am inclined to the view that this is valid legislation. May I call it six o'clock?

Mr. Speaker: Order. The house will now revert to the business which was interrupted at five o'clock.

CORPORATIONS AND LABOUR UNIONS

PROVISION FOR FURNISHING OF FINANCIAL AND OTHER STATISTICS

The house resumed consideration in committee of Bill No. C-38, to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada—Mr. Fulton—Mr. McGee in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: Shall clause 1 carry?

Mr. Matheson: According to the Minister of Justice this is an extremely important bill. He said it forms an integral part of the government's national policy. He also spoke of the importance of nationhood in economic matters, which reminds us of the type of comment we were accustomed to hear in 1957.

I refer to the Winnipeg *Free Press* of April 25, 1957, in which the then leader of the opposition, now Prime Minister of Canada, was reported as speaking about the growing dominance of foreign owned business. He said:

> Foreign investment was to be welcomed and should be treated fairly "but a sense of national destiny for Canada calls for it being directed to the maximum benefit of Canada."

At Halifax, on April 26, 1957, he spoke of preserving for Canadians "the control of our economic destiny". Therefore we can presume what basically the government and the minister have in mind when he talks about this being an extremely important bill. It was for that reason that question No. 164 was asked by me, as recorded at page 1241 of *Hansard* for February 26, 1962. I asked:

> What is the percentage of foreign investment control in the years 1956 and 1961 in (a) the resource industries (b) the manufacturing industries?

The answer given was that the percentage of foreign investment control of the mining and smelting industry increased from 58 per cent in 1956 to 61 per cent in 1959, and that no further figures were available with respect to subsequent years. The answer also stated that the percentage of foreign investment control of manufacturing industries increased from 52 per cent in 1956 to 57 per cent in 1959. Therefore from the figures disclosed by this government it would seem that the policy of 1957 has not been fulfilled. In fact this matter, which the government complained of, has considerably worsened.

Having spoken of this bill as being an extremely important one, the minister went on to say, as reported at page 2399 of *Hansard*:

> —the bill is to some extent experimental and it is, indeed, as I myself recognize, a first step.

We are interested in where this step is going, and what is the purpose of grouping together a corporation and a union in this extraordinary fashion. Is one simply a saw off against the other? Is this simply a propaganda bill which appears to indicate activism on the part of the government in an area where it has already demonstrated marked failure? Is it a case of taking one section of the economy and dealing with it in one section of the bill, and then taking unions and dealing with them in another section, thereby trying to give the appearance of some sort of fair saw off to two elements in our economic society?

It would appear that there is nothing in the bill to indicate to what end the information will be obtained and, as we go through all its clauses, I think we can fairly contend that all the important information is already available to the government or, if it is not, it could be very easily obtained by minor alterations in present requirements. I believe information could easily be obtained by one minister from corporations and by another minister from unions, and that this information would disclose all that was necessary. In fact when he spoke yesterday the minister did not indicate what particular gaps existed in information.

The changes which have taken place in the drafting of this bill in past months have resulted in the presentation of an emasculated bill which is now so innocuous that it will do nothing helpful, nothing indeed except cause obstruction, expense, delay, inconvenience and perhaps some small measure of insult to people endeavouring to carry on business in Canada from the corporate or union standpoint.

I have taken the trouble to discuss it with Mr. Andy Andras of the Canadian Labour Congress and I thought his approach to it was extremely fair. He said there were some minor particulars in which information might be useful, even to the unions themselves, but added that this could be easily obtained in another way.

What is the new intention of the government in taking this first step and where does the second step come in? I invited some opinion on the bill from people who are attached to a school of business administration. One head of a department said that this legislation inserts into the record of parliament a new type of legislation, namely a record-keeping function that smacks of Hitler. This may sound strange, but hon. members will recall that some years ago Hitler, for reasons that were not very clearly disclosed at that time, required a certain ethnic group to register. What is the reason why these unions must register?

I looked into the records in the parliamentary library and found that there is published by the Department of Labour a pamphlet covering labour organizations in Canada for each year, in very complete detail. I find, on looking through this information, that it is fully documented. I do not think there are any secrets which cause the Minister of Labour any embarrassment in not knowing what are the important unions and who are their executive heads from time to time.

Of course it is a problem to keep completely up to date with respect to unions of a hundred members. In fact, surely no record-keeping function of the government is ever going to permit this to be completely up to date. It will always be out of date. But the information is always available if the government needs it. In fact it is nearly all available in the publications now printed by the Department of Labour.

What, then, are the mysteries with respect to corporations, or is this simply another indication of fear and displeasure that people who have some relationship outside this country happen to, and are pleased to, come and do business in Canada, either from the management or the labour side? If that is all it is, I think there is much reason for speaking against this bill. It seems to me that this administration has managed to do quite a bit since 1957 to simply discourage investment generally.

A few days ago I was looking at a publication printed by the Bank of Canada for the year 1961 and I found, as I looked at the graphs that appear on page 25 of Mr. Rasminsky's report, that the business fixed capital formation has substantially declined since 1957; that construction is substantially down; that machinery and equipment is down. Surely this is not the time for us to insert new, picayune legislation which has no real purpose, which the minister himself said is experimental, the first step; but he does not tell us what the second, third or fourth steps really are. We have no idea where this thing is going or what it seeks to accomplish.

Is there a real problem of corporate control? Certainly if we read the press today and project what appears to be the trend, we find in such industries as mining and smelting and manufacturing that there has been a very substantially increased United States ownership in Canada since the year 1959. There have been prognoses by such people as Earle McLaughlin and others who have been interested in certain specialized parts of our economy, such as the monetary and fiscal techniques which have been employed by this government since, for instance, December, 1960 which seem to indicate that the situation has substantially worsened since the baby budget.

If the government does in fact know that their policy in the fiscal or monetary field has tended to bring a good deal more foreign control into our industries, I think the minister should disclose that information. We are vitally interested; that is why we asked the kind of question we did in No. 164: What is the percentage of foreign investment? Does this government have anything further beyond 1959? If it does not, is it alarmed by the substantial increase of foreign investment and control that appeared between 1959 and 1956? Is this government really concerned about increased control from outside this country in labour organization?

We have had no evidence from the minister that this is a fact. We have to bear in mind that as we take this step with Bill C-38 it is certainly a step towards nationalism. In some of his remarks the minister would appear to have indicated that this is not really the purpose; it is not really nationalism. If it is not, I would like to know what it is, because surely we are moving into a time in the world where the tendency among enlightened modern countries who are uplifting their economies is to work together and not against one another. The implements and techniques of national limitation and control are completely contrary to the tempo of development that we see demonstrated, for instance in Europe, Great Britain and the United States, and certainly in Latin America.

Is this just another indication that we are going to go it alone; that we are going to cut off our outside connections which in many ways have elevated not only Canadian development, industry and expansion, particularly

in the speculative areas of our economy, but have also done a good deal, surely, in the labour area? Are we moving alone in this field, having regard to the direction of enlightened progress elsewhere?

I say that reading sympathetically and carefully the obviously very carefully prepared remarks of the minister we do not know where this is going, or why; we do not really have any vice to be corrected; if so the minister has not indicated what it is. If it is to implement what the Prime Minister appeared to indicate to be his policy in 1957, would the minister give us some more facts? Would he tell us the extent to which this government during the last two or three years has really found itself the victim of foreign control and investment. It seems to me manifestly clear, by all the financial statements we can look at, that Canadians are not now of a mind to invest very generously in their own country. It seems to me that in certain areas—and this is certainly true in the mining and smelting industry and Canadian secondary manufacturing—Canadians have not been quick to step forward in recent months to invest in Canada.

What does the minister really mean by "first step"? Surely we are entitled to know something beyond this. We would like to have some idea of what the second step might mean. Does it mean, to cut out foreign investment; does it mean to curtail, limit or prevent the activities of international unions in Canada? If this is the purpose of the government, surely we should know what the government is thinking of as the second or third step phase, because if the second or third step phase is something that tends to be contrary to the trend of progressive development, this is something germane to our discussions at the present time.

Clause agreed to.

On clause 2—*Definitions—"Minister"*.

Mr. Fulton: Mr. Chairman, on clause 2 I am required to ask my colleague, the Solicitor General, if he would be kind enough to move one of the consequential amendments which results from the decision that I announced last evening, the effect of which will be to change the definition of "minister" to "Minister of Trade and Commerce". The amendment would read:

That Bill C-38 be amended by striking out paragraph (a) of subsection (1) of section 2 thereof and substituting therefor the following:
(a) "Minister" means the Minister of Trade and Commerce;

I would ask my colleague, the Solicitor General to move accordingly.

Mr. Browne (St. John's West): Mr. Chairman, I beg to so move.

The Deputy Chairman: Moved by Mr. Browne (St. John's West):

That Bill No. C-38, an act to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada, be amended by striking out paragraph (a) of subsection (1) of section 2 thereof and substituting therefor the following:
(a) "Minister" means the Minister of Trade and Commerce;

Mr. Caron: That means it falls under one minister instead of two ministers?

Mr. Fulton: That is correct.

Mr. Caron: It was under the Secretary of State and the Minister of Labour before; now it is coming under the Minister of Trade and Commerce.

Mr. Fulton: Yes.

Mr. Howard: To get this clear, this is because the dominion bureau of statistics is under the Minister of Trade and Commerce and eventually it will be the d.b.s. which will collect and compile all this information.

Mr. Fulton: That is correct.

Mr. Howard: I would just make the comment in passing that we have had three ministers involved in this bill up to now—the Secretary of State, the Minister of Labour and the Minister of Trade and Commerce, yet we find the Minister of Justice piloting this bill through the house.

Mr. Pickersgill: I think at this point we should have an assurance from the minister that the information which is supposed to be kept secret is, indeed, to be kept secret and that nothing will happen such as happened January 20, 1958, when confidential information in the hands of the Department of Trade and Commerce was made public, because we have some unhappy recollections of what happened then to that kind of information.

Amendment agreed to.

Mr. Howard: I wonder if we might now consider the procedure to be followed with regard to this clause and, certainly, subsequent clauses. Clause 4 for example takes up to almost three and a half pages to print, and I thought we might consider proceeding by subclauses in order that we might be more orderly in our approach. Perhaps this comment does not particularly apply to clause 2, although it could. It would certainly apply to clauses 4 and 6.

Mr. Pickersgill: I think that is a good idea.

The Deputy Chairman: Perhaps the hon. member would make that suggestion when we come to clause 4.

Mr. Fulton: I shall be glad to respond on that occasion.

Mr. Howard: On clause 2 I merely want to make an observation and an inquiry to see whether my concept of what this means is the same as that held by the minister. I refer to paragraph (c) of subclause (1) which says:

> "union" or "labour union" means any organization of employees formed for the purpose of regulating relations between employers and employees.

In other legislation such as labour relations legislation dealing with collective bargaining and so on, such a definition is normally taken to apply to company unions also, that is, unions such as that existing in Atlas Steel, the president of which company is also the president of the productivity council. That is considered to be a company union, and I wonder whether it is the minister's opinion that the definition would apply in such cases.

Mr. Fulton: The fact is that the definition appearing here is the definition appearing in the Industrial Relations and Disputes Investigation Act which, the hon. member will appreciate, is the best definition that the Minister of Justice can find of a union or labour union.

Mr. Benidickson: On that point, I see some exemptions here with respect to crown companies both provincial and federal. We are talking here of any organization of employees formed for the purpose of regulating relations between employers and employees. What about our joint council representing senior civil servants and employees here in Ottawa? What about the civil service federation? What about the organization within the postal service? What about those who are organized within the civil service as professional workers, who apparently do not work with some of the other people but who are organized for the purpose of regulating relations between employers and employees? Are these civil servants exempted? What about firemen in municipalities, and what about other municipal workers who have organized themselves? Are these groups to be considered unions inasmuch as they are formed for the purpose of regulating relations between employers and employees? What about policemen and those in similar bodies which have formed an organization to work in concert for the purpose of talking to an employer?

Mr. Fulton: If they come within the definition here they will be expected and required to report.

Clause as amended agreed to.

[The Deputy Chairman.]

On clause 3—*Application of part I.*

Mr. Howard: I wish to make some general remarks on this clause. I think they will be in order, because clause 3 sets out certain exemptions with respect to what shall constitute corporations for the purpose of this bill. The first exception is, of course, with respect to a corporation to which part II applies. The second is a corporation described in the schedule. I should like to make a reference to the schedule to indicate not only what corporations are exempted but to ask the minister the reason for such exemptions. Why, for instance, should a chartered bank or a bank to which the Bank Act applies, be exempted? Why, also, should a bank to which the Quebec Savings Bank Act applies be exempt from the provisions of the bill? I think we could go right down the line noting all the other types of institution which are exempted, such as insurance companies, trust companies licensed under the Loan Companies Act, corporations licensed under the Small Loans Act, and so on, and ask why they should be given exemption. Why should corporations of this sort which deal in finance, not be required to comply with the terms of this bill? It seems to me they have a greater impact on our economy and a greater degree of control over it than the manufacturing companies.

I should like to pass on this question to the minister first of all and, perhaps, make a comment or two later, depending upon his reply.

Mr. Fulton: The committee will recall that one of the criticisms made by hon. members earlier was that the bill might require duplication in reporting. We are conscious of that criticism and we have eliminated the basis for it to the maximum extent consistent with obtaining information required to fill the gaps in our knowledge. One of the ways in which we eliminated it was by making sure that corporations and other organizations which are already required to report under other statutes information which is substantially the same as is called for in this bill would not be required to duplicate their returns. So the schedule was carefully drawn up with this object in view, and organizations will not be required to make duplicate reports, whether they are corporations or trade unions or co-operative credit societies—and the hon. member will see one referred to in paragraph 6. I am advised that, with respect to all those corporations listed in the schedule, substantially the same information as called for under this bill is required now to be filed by them under the respective acts under which they carry on their business; and that

indeed not only substantially the same information as is called for here must be filed by them, but in most cases a good deal more information as well. Therefore it would only be creating duplication of returns to require them to file. That is the reason why they are exempted in the schedule.

If we find, as we accumulate experience under this bill as it operates, that some of these corporations under their acts as enumerated do not give the information we want here, then their respective acts can be amended to require that information.

Mr. Howard: I take it that the returns of the companies to which the minister refers are not filed with the dominion bureau of statistics as is anticipated in this case, but are returns filed with the Department of Finance or perhaps the insurance branch of that department. Also, some of this information filed by these companies is public. For instance, under the Bank Act there is tabled in parliament every year information listing the names and addresses of everyone owning more than 500 shares, I believe it is, in a private chartered bank.

If it is desired to compile information about the control of corporations this information should be forwarded to one place, namely, as the minister indicated, the dominion bureau of statistics in order that all the facts and statistics about the operation and control of the corporations mentioned in the schedule will be in one place, and the statisticians will have full knowledge of the facts in drawing their conclusions based on these statistics.

The minister said this information is substantially the same as required by the bill. I understood him to say that under the Bank Act, the Trust Companies Act and other measures companies are required to file information about their operations. If the government is going into the field of duplication of information such as corporate names and the addresses of head offices and the like, which information I understand is in many instances filed under the Companies Act, it would not be too much to ask a company such as the Canadian Imperial Bank of Commerce to make a carbon copy of whatever statistics were being compiled so that they could be filed with the dominion bureau of statistics.

Part 16 of the schedule exempts a corporation if it has a gross revenue not exceeding $500,000 and if the assets in Canada of the corporation as of the last day of the reporting period involved, determined as prescribed by the regulation, do not exceed $250,000. That is a rather high ceiling to establish before a corporation is put in the position of having to file information.

I take particular exception to part 17 of the schedule which reads:

> Any other corporation of a class prescribed by the regulations to be a class of corporations the filing of returns in respect of which is not essential to the securing of effective compliance with part I.

In my opinion it is asking too much that those referred to in the schedule, plus heaven knows what else the cabinet may desire to have excluded as a class or group, be exempt. If we make exemptions they should be made, not on the basis of whether or not these private corporations are organized under another act of parliament but on the basis of whether or not they are corporations coming under the public domain, such as municipalities. The references in the schedule in this regard are quite correct.

Although the minister referred to it, I also see no reason for exempting co-operative societies if they wish statistical information.

If we are going to exempt corporations from the application of this bill the exemptions should be set out in the measure and not by way of the schedule. We should eliminate the blank cheque the government requests in asking that it be given authority to exempt anyone else it desires to exempt from this measure.

I wish to propose a formal amendment. It is rather lengthy because it includes parts of the schedule and perhaps it would be desirable to distribute it before it is read so that hon. members may follow it.

I move:

> That clause 3 be amended by deleting therefrom, in lines 4 and 5, the following: "and (b) a corporation described in the schedule," and by substituting therefor the following:
>
> (b) a corporation that is an agent of Her Majesty in right of Canada or a province or is named in Schedule D to the Financial Administration Act,—

That is drawn from part 7 of the schedule. I continue:

> (c) a municipality in Canada or a municipal or other public body performing a function of government in Canada,

That comes from part 8 of the schedule. I continue:

> (d) a corporation not less than 90 per cent of the shares or capital of which are owned by Her Majesty in right of Canada or a province or by a municipality in Canada,

That is the language of part 9 of the schedule. I continue:

> (e) a corporation that is an agent of the government of a country other than Canada,

That is the wording of part 10 of the schedule. I continue:

> (f) a corporation not less than 90 per cent of the shares or capital of which are owned by the government of a country other than Canada,

That is drawn from part 11 of the schedule. I continue:

(g) a corporation having as its object the furtherance of any religious or other charitable purposes,—

I do not know whether or not that applies to the Liberal party.

—no part of the income of which is payable to or otherwise available for the personal gain or benefit of any proprietor, member or shareholder thereof, and

(h) any corporation, for any reporting period of the corporation in respect of which it can be established that

(a) the gross revenue of the corporation for that reporting period from the business carried on by it in Canada, determined as prescribed by the regulations, did not exceed one hundred thousand dollars,—

This proposes an alteration from the present requirement of $500,000 bringing it closer into line with what the government is attempting to do. I continue:

—and

(b) the assets in Canada of the corporation as of the last day of that reporting period, determined as prescribed by the regulations, did not exceed fifty thousand dollars, except any such corporation that is one of two or more corporations that, by reason of inter-relationship of management, ownership or financial affairs, are designated by the minister to be related corporations and that would not, if considered as a single corporation, qualify as a corporation described in this item.

If accepted by the committee the deletion of the schedule would be required because the references in the schedule which I think should be in the measure are contained in this amendment to clause 3. It would leave us provided corporations which would require to submit the statistics under this act, including banks under the Bank Act or the Quebec Savings Banks Act, an insurance company or a fraternal benefit society registered under the Canadian and British Insurance Companies Act or the Foreign Insurance Companies Act; trust companies; loan companies; small loans companies; a co-operative credit society; a corporation that is an agent of Her Majesty in right of Canada; a corporation licensed under the Radio Act to establish a broadcasting station; a transcontinental air carrier; a railway, telegraph, telephone or express company or a carrier by water in respect of which returns are made in pursuance of sections 384 to 389 of the Railway Act and a corporation which did not have gross revenue of more than $100,000 or assets of more than $50,000. I think this would be more in keeping with the desire expressed by the minister to have under one agency a complete understanding of all of the facts relating to the operation and control of our economy.

[Mr. Howard.]

The Deputy Chairman: Shall I dispense with the reading of the amendment? Is it agreed that I dispense with the reading of it?

Some hon. Members: Agreed.

The Deputy Chairman: Is there any discussion on the amendment?

Mr. Benidickson: Mr. Chairman—

The Deputy Chairman: I should point out that I have some doubt as to the admissibility of the amendment, if that is of any help.

Mr. Benidickson: If there is argument in so far as the point of order is concerned I will defer my remarks as they would apply to basic clause 3 as it now stands.

The Deputy Chairman: I should point out to the committee that my concern is that the amendment enlarges the scope of the clause which is amended and thereby goes beyond the scope of the bill itself. That is a matter on which I should like to have some assistance from the committee, if I may.

Mr. Fulton: The point of order is a technical one. Far be it from me to avoid points of order by which Your Honour seeks to apply the rules. However, I must say that if the amendment were to be accepted, it would greatly increase the number of returns that would be required to be filed under this act. But whether or not it goes outside the scope of the bill or the clause is a question upon which I find it difficult to pass judgment. May I put the matter in this way. The two questions, namely whether or not it goes beyond the scope of the clause and whether or not it is desirable on the merits, seem to me to be very closely interrelated. Without prejudice to the point of order which Your Honour has raised, I would prefer to put my objection on the merits. I have indicated that the corporations of the class described in the schedule are all corporations which are required to report very completely under the acts under which they have their authority. I am also advised that with the possible exception—

Mr. Pickersgill: If I may interrupt the minister for just a second, I should like to get one matter clear. Am I to take it that the minister is arguing that we should consider this amendment on its merits and should not trouble further about the point of order that has been raised? If not, I think it would be just as well to get from the Chair a ruling on the point of order. I take it that the minister did not himself wish to make an issue of the point, and I think that would be the view on our side. After all, this amendment would appear merely to restrict the number of

exemptions in a slightly different way and I would think we ought to consider it on its merits.

Some hon. Members: Question.

Mr. Fulton: As I say, Mr. Chairman, you have raised a point of order. I think the point of order is well taken. However, if Your Honour would not feel it to be a violation of the rules, I am prepared to deal with the amendment on its merits.

Mr. Howard: Certainly I am prepared to deal with it on its merits. However, it seems strange to me that the minister now says that the point of order you took, Mr. Chairman, is well taken but that a moment ago he felt hard pressed to argue the point.

The Deputy Chairman: If I may, I should like hurriedly to point out to the committee—and I do not want to delay the proceedings—that in looking over the amendment I was immediately concerned with subsection (c), for example, which brings in a municipality in Canada. However, I am quite prepared to leave aside the ruling and to hear the case for the amendment on its merits.

Mr. Fulton: What the amendment proposes to do, in my opinion, is not to introduce new exemptions but rather to delete certain of the exemptions established under the schedule. If I may do so, I should like to point out with respect that clause (c) does not introduce a new heading. It reproduces paragraph 8 of the schedule. As I appreciate the amendment, what it would do if it were carried would be to delete heads 1 to 6 of the schedule as well as heads 14 and 15, to modify head 16 and to delete head 17. However, I do not think it would introduce anything new. I therefore take it that the committee would wish to deal with it on its merits rather than under a point of order.

As I said a moment ago, all the corporations exempted under the schedule are corporations which are required, under the acts by which they have their authority, to report all of the information which this bill calls for, and indeed in most cases more. I can therefore see no purpose in deleting any of the exemptions established by the schedule. Indeed, if the objection of the hon. member be that this information is not available to the public may I say this. I am told that, for instance, under the Bank Act, the Canadian and British Insurance Companies Act, the Trust Companies Act and the Loan Companies Act the information filed by the companies subject thereto is available without legal barrier not only to the government but indeed to publication in annual reports and information of that kind. Hence there is no purpose whatsoever in requiring these corporations to duplicate the returns they already make under the acts by which they have their authority. There is therefore no purpose to the amendment which seeks to remove the exemption of those classes of corporations contained in the schedule.

With respect to paragraph 16 which the amendment would modify by decreasing the limit from $500,000 to $100,000 and $250,000 to $50,000 respectively, may I say this. I am told that the number of corporations that would be included as a result of that change would not appreciably affect the picture as to the effect on the Canadian economy of foreign control, although it would vastly increase the number of corporations from whom reports would be required. I am advised that under the limits now established by virtue of clause 16 of the schedule some 25,000 corporations will be required to report. I do not know whether the members of the New Democratic party are entirely careless of the volume of work that is entailed. We are prepared to ask civil servants to do the work that this bill will entail but if you consider that the limits of $500,000 and $250,000 respectively as the lower limits for the reporting requirement produce a requirement to report by 25,000 corporations, you can imagine the vast increase in that number that would take place if those limits were lowered.

I must say, sir, that I think it is surely an obvious proposition that to require corporations with a gross revenue of less than $500,000 and assets of less than $250,000 to make these reports would not add greatly to the knowledge of the government as to the effects of foreign ownership upon the Canadian economy. I am told that it might well mean that you would require returns from another 75,000 corporations.

Certainly the general pattern is that it is not the small corporation that one is concerned with here. The exercise and incidence of foreign control are generally apparent from the larger corporation, and it is in that sphere that there occur the effects with which we are concerned.

With regard to the suggestion that paragraph 17 of the schedule be deleted, this I am entirely unable to accept. The committee will observe that paragraph 17 does not give the government the right to exempt a specific corporation from the requirement to report. It only gives the right to exempt classes of corporations, so that if we find as we gain experience under this legislation that some of those who are reporting under it are in fact duplicating reports they already make we can then exempt that class of corporation.

Furthermore, any regulation made hereunder would require to be tabled and would

become public knowledge, and if anyone had the dark and rather exaggerated suspicions, if I may so describe them, of the hon. member for Skeena, he could, of course, question the propriety of exempting that class of corporation. It will not be possible for the government to single out a particular corporation for any reason whatsoever and exempt it by regulation. It will have to be a corporation falling within a class. So, Mr. Chairman, for these reasons I am unable to accept the amendment.

Mr. Benidickson: Did I understand the Minister of Justice to say that there are now caught in this net 25,000 corporations that will be asked to submit reports under the terms of the legislation?

Mr. Fulton: That is the estimate, yes.

Mr. Benidickson: And did the minister indicate that if the amendment were accepted the number of corporations that would be liable to report would be increased considerably?

Mr. Fulton: Very considerably.

Mr. Benidickson: Irrespective of the amendment, I was going to ask that question at the appropriate time before we proceeded very far. I was suspicious in the first place that this was rather half-baked legislation and I am more satisfied as we proceed that it is really nothing but political window dressing. I doubt that the minister himself has his heart in it. It is certainly very empty compared with what was presented last year. Not many people are objecting to it at this time, but I do not think they realize the consequences of a relatively petty nature that are involved, though in the aggregate they are not petty.

If 25,000 corporations are asked to provide information that has been so watered down that it is of little value to anybody, I imagine they will have to hire professional services, accountants and lawyers, and that the minimum expense for each corporation will be $200. That is a total amount of $5 million that will have been imposed upon these corporations across the country. Even taking the expense at $100 for each corporation, and I doubt that the minister would want to provide all this information from his office for that amount, the total would be $2½ million. But that is not particularly my point.

I indicated that I intend to speak on clause 3 as it was originally drafted, but having in mind the point I wish to advance I can do so equally well on the amendment. I feel that the minister should give us greater assurance than he has that what we are avoiding in this wide list of exemptions in the schedule is duplication. I am not satisfied to hear from the minister that those corporations listed in the schedule now submit returns that are susbtantially the same. At another time he said "very completely the same". There are obligations here with regard to annual presentation.

I think we are entitled to receive the assurance from the minister that he has examined the schedule and is satisfied that there is no discrimination against those corporations that will be required to go to the expense of doing all this paper work, compared with the long list of corporations in the schedule that are exempt. I am not concerned that the minister is satisfied that the reports are very much or substantially the same. I want to know about some of the onerous requirements set forth here. They are not onerous from the point of view of public information but they are onerous from the point of view of red tape and from the point of view of adding to the cost of our civil service and the expenses of corporations. I have suggested a minimum of $200 for the compilation of the information required as set forth in clause 4.

The minister has indicated that there are public reports in connection with the companies referred to in paragraphs 1, 2, 3, 4 and 5 of the schedule and I am not sure whether he mentioned paragraph 6. Information concerning them is available to the public in printed reports of government departments. Let us accept that. I will ask him about paragraph 6 to which I do not think he referred. He did not make any reference to paragraphs 13 or 14. I am rather interested in paragraph 15 of the schedule which refers to those corporations that receive their charters under the Railway Act. This would include the Canadian Pacific Railway Company, the Bell Telephone Company and other mammoth corporations in this country in which we naturally have a great deal of pride. If it is a matter of interest whether or not there is an undue proportion of foreign ownership in these corporations, I wonder why they are particularly exempted in the bill. In the case of the Bell Telephone Company it is rather common knowledge that there is some form of pertinent and essential control of this very large Canadian corporation by the American Telegraph and Telephone Company which is, of course, a mammoth United States corporation. I am told that irrespective of share holdings there is a royalty or subsidy, or something in the nature of an over-all commission on receipts, that has to be paid by this corporation to its parent company in the United States. Is there anything in the Railway Act which

provides for the giving of that information to the public, and is it available on an annual basis?

Do the Bell Telephone Company and the Canadian Pacific Railway Company have to subscribe in every feature referred to in the next clause, clause 4, in so far as making returns, such as are specified there, available not only to the government but to the public? In other words, could I go over to the board of transport commissioners and, if I were curious about whether or not anybody owned more than 10 per cent of the Bell Telephone Company's capital stock, could I pay a dollar to find that out and be satisfied? Could I ascertain the nationality of each individual who holds stock in that company? Can I do that in connection with the Canadian Pacific Railway Company?

So far as the banks are concerned, it is true they are required to submit a certain report annually to a government department, but without looking through that statute and comparing it very carefully with this document which has only been in our hands 24 hours—

Mr. Fulton: What is that?

Mr. Benidickson: This document has only been in our hands a short period.

Mr. Fulton: It has been in your hands since January 22, and if you did not read it—

Mr. Benidickson: I read it yesterday.

Mr. Fulton: That is not my fault. You have had it since January 22.

Mr. Benidickson: With the great advice available to him the minister should be able to assure us that we have not here something which is substantially the same, something which is actually the same in so far as duplication is concerned on behalf of the corporations that are referred to in the schedule. As I indicated in connection with the banks, I am familiar in a broad way with the return they make annually to parliament; but in the next section, section B, those corporations which are not exempt, such as a commercial bank, are required to provide a statement of surplus.

Now we have all heard about the inner reserves of the commercial banks of Canada. So far as I know that is an item about which a person cannot get information by paying a dollar at any government office. I hope that it is not the feeling of the minister that such a type of reserve, which is related to surplus, might not be disclosed by those corporations which, under this bill, will be required to make an annual return. These are all matters about which the minister should satisfy us because there are these subsequent paragraphs that involve not only a very particularized list of information that has to be provided, but also there are certain other public privileges involved in the bill with respect to examination of those documents.

I wonder, can the minister assure us with respect to all of these types of corporations to which I have referred, and to which he did not refer himself when he spoke about the amendment. Can he tell us whether or not these are more than just similar, but are really the same, and that the information provided by them would be a duplicate of what is required by this statute?

In so far as the amendment is concerned, I take it this deals with the type of corporation the minister has in mind in connection with paragraph 17 of the schedule.

Mr. Fulton: To deal with the last question first, we have of course no type of corporation or class of corporation in mind with respect to paragraph 17, or else we would have listed them under the preceding paragraphs. However we think there may be some classes of corporations with respect to which duplication can be avoided as experience is developed, and therefore we want the right to exempt them. As my hon. friend has claimed with a loud voice, we think we should avoid imposing unnecessary expense on corporations and trade unions and therefore we have reserved to ourselves the power to make regulations exempting classes of corporations.

The hon. member for Kenora-Rainy River made a number of general observations, not one of which I am afraid I can recall in detail, but most of which I am sure he would not have made had he read the bill with the care he might have devoted to it in the light of the fact that it has been in his hands since January 22, and not just the last 48 hours as he suggested.

I can say to him very generally, but without reservation in answer to his observations, that the classes of corporations listed in the schedule are classes of corporations with respect to which we are satisfied that they already report, in a manner that is available not only to the government but to the public, substantially the same kind of information as this bill will call upon the balance of corporations to provide when it goes into effect. Therefore we have no hesitation in saying that those corporations listed in the schedule should be exempted from the requirement of filing duplicate returns under this bill.

Mr. Benidickson: What is the Canadian Pacific Railway required to report to the government?

Mr. Fulton: Under the Railway Act it is required to report extremely detailed information with respect to—

Mr. Benidickson: Share holdings?

Mr. Fulton: Yes; assets, liabilities, capitalization, revenues and working expenditure, and of course further extremely detailed information with respect to tariffs and rates.

Mr. Benidickson: What about the residence of the owners of the shares, and so on?

Mr. Fulton: Well, it is known under the provisions of the Railway Act that, for instance, there are certain requirements as to qualifications of residence, if I recall that act correctly.

Mr. Benidickson: But there are Britons and Americans on the board of directors.

Mr. Fulton: But their residence has to be listed. Indeed one can go and look at the annual report of the Canadian Pacific and read it. However I doubt if my hon. friend has seen it. It lists the names and addresses of the directors of the Canadian Pacific. I cannot say that the information required to be filed by the Canadian Pacific is precisely the same in every detail as the information that will be required to be filed under this bill, but if we find there are important gaps in that respect then we can always delete paragraph 15. My information is that substantially the information we are after here with respect to the extent and effects of foreign ownership of railway companies, telephone and telegraph companies, is already available under the other act.

Mr. Howard: I would like to make some comment about remarks which the minister made earlier following the introduction of the amendment. I gather that the minister said with respect to lowering the ceiling to $100,000 revenue and $50,000 assets, in so far as the returns to be filed under the amendment are concerned, that it would not appreciably affect the picture in so far as government knowledge of foreign control was involved.

Mr. Fulton: The effect of it—yes.

Mr. Howard: I gather he said it would not affect the picture one would get from assessing these returns, but it seems to me very important that yesterday the minister spent a great deal of time explaining how necessary this information was so that the government could have a clear picture.

Now he turns around and says, "We know what the picture will be, because these new or additional returns that might come in will not affect the picture". He cannot argue both ways; he cannot argue that the government wants all this statistical information on the one hand, and that is why we need the bill, and then turn around in rejecting my amendment and say, "We do not want this sort of information because it will not affect the picture we are going to get anyway".

I think this is a rather specious argument on the part of the minister in rejecting the amendment. I think the minister used the words, "We are not entirely careless about the number of returns that will be filed". If he is going to argue on that basis, he can perhaps argue with some validity, but he cannot argue two points of view at once, one yesterday on second reading and one today in rejecting the proposal we made.

The minister said a moment ago—I jotted down his words here and I think I have them correct, although my shorthand is not as good as that of the gentleman in the centre of the chamber—that in respect of these corporations named in the schedule and which under my proposed amendment would be required to file returns, namely banks, trust and loan companies and the like, not only do they make that information available to the government as required in this bill, but it is available to the public. If the information that banks, trust companies, loan companies, small loan companies, companies under the Radio Act, the Railway Act and the like, make available is the same as the government requires under this bill, and that information is made available to the public, then why the secrecy provision under section B of the bill with respect to other corporations; why the discrimination?

Mr. Fulton: Mr. Chairman, I think there must be a misunderstanding here. I will have to check my words, but what I intended to say, and certainly what I should have said, was that the information from those corporations listed in the schedule, and certainly in the first six classes, is available without legal barrier to the government and is available in summary in statistical or report form to the public, in almost precisely the same way as the information under part B of the returns under this bill will be available in detail to the government and in report form to the public.

Mr. Howard: That clarifies that point. The minister has twice used the word "precisely". He used it once a second ago, and once in his earlier remarks. In his earlier remarks he put it the other way around and said that the information required to be filed by companies and corporations mentioned in the schedule is not precisely the same as that required under this bill. But is not this exactly the point we are trying to get at? The minister made a great to-do on second reading, and

again today, about the government wanting to know everything possible in order to have the exact picture with respect to the economy.

If the Bank of Nova Scotia, for argument's sake, is required under the Bank Act to file all of the information in precisely the same detail and precisely the same form as is required for other corporations under the proposed clause 4, this answers the question; and if that information will be made available to the dominion bureau of statistics so that they can interweave it, this perhaps overcomes one of the reasons for proposing the amendment.

I would like to ask the minister a specific question. Is a bank to which the Bank Act applies required to file with the government—and if so, which branch of it—precisely all the information and details which are going to be required of other corporations under clause 4?

Mr. Fulton: No, Mr. Chairman, not in precisely the same form. I have made this clear, I think, on two previous occasions. The banks to which the Bank Act applies are required to file with the inspector general of banks, by virtue of the Bank Act, complete information with respect to their shareholdings, their financial operations, and so on; information as complete, although not precisely in the same form, as the returns that would be required under this bill.

Indeed, I am informed that there is a great deal more information required by the inspector general of banks than is called for under this bill. All that information, then, is available to the government; all that information is available to the dominion bureau of statistics for inclusion in or comparison with the annual report that will be published with respect to the corporations that are covered by this bill. Since, therefore, all those corporations covered in the schedule—that is to say, exempted from the requirement of reporting under this bill—report in as much or more detail, although not in precisely similar form as those which are required to report under this bill, we have felt it would be foolish, ridiculous and unnecessary repetition and an unnecessary expense and burden to require them to report under this bill.

The hon. member might say to me, "Why do you not standardize the return?" I suppose one might say, "That is a good question". But I think the committee will appreciate that we are not—certainly I am not—responsible for the form in which the Bank Act now exists, nor am I responsible for the form in which the Canadian and British Insurance Companies Act exists, or the form in which the Trust Companies Act exists. They are all for different purposes; they all relate to different kinds of operations. It would be a Herculean job to go through all these acts with a fine-tooth comb and standardize the financial return that should be made under them. Indeed, I am not sure that to do it would not be a disservice to the country, because as I said they deal with different kinds of companies, with different kinds of operations, and it might very well be unwise to try to introduce a standard form for them. But we do find that as a result of the requirements in those individual acts all the information of the type that we want is available. Why, then, should we require those corporations to go through the process of filing an additional form that will not give us any more information?

Mr. Howard: Mr. Chairman, the minister went on at some great length after he posed a hypothetical question that I might ask. Then he proceeded to beat down that question he thought I might ask him. He went into great length in talking about something that I would not suggest in the first place, without really answering the question I posed to him.

Could I ask the minister this question. For argument sake, is a corporation licensed under the Radio Act to establish a broadcasting station required, first to file its annuities, pensions and similar payments to or in respect of officers and directors, including former officers and directors, and, second persons holding more than 5 per cent each of the total number of issued shares of the corporation or of the total number of issued shares thereof of any class, respectively? Is a corporation under the Radio Act required to file that information?

Mr. Fulton: With respect to broadcasting companies, a summary of the requirements is that they must file certain information with the board of broadcast governors, including copies of their letters patent, initial share distribution, information as to any dealings in shares by the company or its shareholders, and an annual balance sheet and profit and loss statement. The initial share distribution is made public upon the hearing of an application for a licence, and all transfers of shares are listed in the board's annual report to parliament.

The board requires a public hearing of any application to transfer shares where the transfer would result in the shares of the corporation being held in a foreign country, and the board is prohibited from granting a licence to a licensee unless it is in effect Canadian controlled. Generally speaking, the kind of information required here is now available to the board and is known to or can be obtained by the public.

Mr. Howard: That is not an answer to the question I asked. I asked the minister whether a corporation that is licensed under the Radio Act to establish a broadcasting station is required to file information relating to annuities, pensions and similar payments to or in respect of first, officers and directors including former officers and directors, and, second, persons holding more than 5 per cent each of the total number of issued shares of the corporation or of the total number of issued shares thereof of any class, respectively. Is that information required?

Mr. Fulton: No, it is not, but it is of no interest or concern because a company holding a broadcasting licence in Canada cannot be foreign controlled.

Mr. Howard: This is the point. This is not supposed to differentiate between those companies which are foreign controlled and those which are not. The bill requires all corporations except those exempted in the schedule to file the information which I have just read out relating to annuities, pensions and similar payments whether a corporation is entirely Canadian owned or whether it is owned in Britain or in Hong Kong. That does not matter as far as the requirement in this act is concerned. Now the minister says radio companies need not file that information but others must. Well, how is one going to get a clear picture if some companies are obliged to file this information and others are not? This is precisely why I think the amendment should carry. This information should be made available to this one authority so that when we compare things we may compare the right things and not be comparing apples and oranges and saying they are the same because they are both fruit.

Mr. Fulton: I appreciate the hon. member's interest in this, but what we are after here is information which will enable us to assess the extent and effects of foreign control of Canadian corporations. With respect to the other companies which will be covered by the bill we do not know in advance whether or not they are foreign controlled so we require them all to report. With respect to broadcasting companies we know by virtue of the provisions of the Broadcasting Act that they cannot be foreign controlled. We have adequate information about them already under that act and for that reason we have exempted them from the requirement to report.

Mr. Howard: Can the Canadian Pacific Railway be foreign controlled? What about a railway, telegraph, telephone or express company or a carrier by water in respect of which returns are made to the board of transport commissioners for Canada under the Railway Act? What is their position with respect to the requirement which I read out a while ago relating to annuities, pensions and similar payments?

Mr. Fulton: With respect to those companies, we have sufficient information under the terms of the Railway Act to assess the extent and the effects of such foreign control as may exist in those cases. Therefore, we do not require them to report under this bill.

Mr. Howard: Yes. Surely, what this bill should be seeking to do is precisely that, and not giving us all this mumbo-jumbo about salaries, fees and other remuneration to officers and directors and, more particularly, inquiring into the sex of union members and so on. What does that matter, if all the minister is concerned about is foreign control? Why is he concerned about management and administrative fees and charges? Why is he concerned about annuities, pensions and similar payments to officers and directors if he says with respect to these other companies mentioned in the schedule that they do not have to file this information?

Mr. Fulton: Because we know about them now.

Mr. Howard: Because the minister knows about them in some other way—by looking at a crystal ball, for instance?

Mr. Fulton: No; not the crystal ball. That went out with Mackenzie King. We know about them because of the requirements of the acts under which they operate. With respect to the other corporations which we expect to be covered by this bill, they operate under no such specific acts and therefore we have set out in this bill the kind of information which we think is necessary to give us a full picture of the extent and effects of such foreign control which may be exercised. But with respect to the companies enumerated in the schedule or the classes of companies set out in the schedule it is our view that by virtue of the acts under which they operate and under which they are already required to report we have the information which will enable us to assess the extent and effects of any foreign control which may be present.

Mr. Howard: That is not what the minister said a moment ago.

Mr. Fulton: It is precisely what I said a moment ago. It is what I have tried to say three times without success.

Mr. Howard: I directed my questions specifically to that point. I read the paragraph

on page 5 of the bill about annuities, pensions and payments to directors; about persons holding more than 5 per cent of the shares, and so on. The minister stated that in each instance it was not a requirement either of the Broadcasting Act or of the Railway Act that this information should be given. Perhaps I should ask the minister whether it would be necessary to file that information if a corporation is a transcontinental air carrier which has been designated by the air transport board for financial and other reporting purposes as a group one carrier. Is a corporation of that kind required to file the information which I read out regarding annuities, pensions and similar payments? Is it required to disclose management and similar fees and charges or fees and charges for professional services showing separately fees and charges for each of the following services, namely: engineering, architectural, legal, accounting, auditing, and consulting fees and charges? Is it required to file that sort of information as well as all the other information sought in this bill?

Mr. Benidickson: While the minister is getting advice on the question just raised I wish to pursue the question I raised with respect to two of our largest corporations. They are corporations against which I have no animosity, but they are exempted in the schedule. I am sure the minister does not want to recommend a bill which is discriminatory and which will involve the smaller corporations in a lot of work which will not be required from the others.

The minister asked the question: why should there be an additional form? Surely, if this information is to go to the dominion bureau of statistics where the results are to be assessed; if the government is to examine these returns and benefit in any way from this information, then the information must be forthcoming on a comparable basis. I have referred to two of our largest corporations. They are the Bell Telephone Company and the Canadian Pacific Railway Company which I assume are incorporated under the Railway Act. Under that act, as far as annual returns are concerned, I read section 384 and it says that every railway, telegraph, telephone and express company, and so on, shall annually prepare returns in accordance with forms and classifications for the time being required by the board of transport commissioners of their assets, liabilities, capitalization, revenues, working expenditures and traffic. Another section—

Mr. Fulton: I read that all out.

Mr. Benidickson: —section 444 refers to statistics and returns. I take it that the essence of this bill is to provide this country with information about foreign ownership. Where, with respect to the Railway Act do we get anything comparable with what we find in the provisions here which require other corporations which are not exempt, to report with regard to holdings of more than 5 per cent each of the total number of issued shares of the corporation?

Then, on page 3 of the bill appears subparagraph (vii) calling for particulars with respect to the ownership of more than 50 per cent of the shares of a subsidiary. I thought from the debate that this was of the essence of the information we were going to get in connection with our national establishments and, particularly, our corporations. If we are to exempt the big corporations, what earthly use is all this paraphernalia that is being established here? I am reminded that not only is our second largest railway, the C.P.R. exempted; there are a number of others almost equally important. In the case of the C.P.R. it may be that in its annual report—it is not obligatory, as far as I can tell, to submit it—we would be given the names of the directors. One might get a box number where they receive their mail, but I do not think there is anything in the Railway Act that makes it necessary for the directors of the Canadian Pacific Railway to state not just their address—not Sir Someone in London—but actually his nationality whether British, Australian or some other nationality that might entitle him to the knighthood, and his address outside Canada.

Every other corporation has to show not only the address of the individual but the individual's nationality. Why the exemption in connection with these important corporations, where there is a substantial amount of foreign ownership?

Even the directors of the government owned railway, the C.N.R., would be exempt according to the schedule. I recall sitting on the standing committee of this house during two sessions when we examined officers of the Canadian National Railways. While I was not one who pressed for this information, two hon. members of the Conservative party pressed the officers of the railway for information as to whether or not they had obtained control of some trucking companies. It was declared that it was not in the public interest that that information should be provided even to a parliamentary committee.

Mr. Fulton: Is the hon. member alleging that the Canadian National Railways is foreign controlled?

Mr. Benidickson: No, Mr. Chairman. I was referring back to subparagraph VII and the requirement that all corporations indicate ownership of subsidiaries where their stock interest exceeds 50 per cent. It was not possible to obtain that information even in the parliamentary committee with respect to certain subsidiaries of the C.N.R.

Does the C.P.R. under the Railway Act give some government body information containing their ownership of other companies—and they own quite a number under different names—where they hold more than 50 per cent of the issued shares? I do not see that that is required under the Railway Act as it would be required of corporations under this measure.

Mr. Fulton: Mr. Chairman, I can only say again that with respect to these companies they have been investigated on numerous occasions by royal commissions and other organizations. I do not think there can be any question but that their corporate structure and the extent and effects of that foreign ownership or control is well understood. I think if I go on I will merely be repeating myself. Perhaps the only way to leave the matter is to let my hon. friend take responsibility for saying which of the classes of exemptions he would delete.

Mr. Pitman: This is a serious matter, Mr. Chairman. Throughout the debate the minister has said we are seeking information. There is a concern among Canadians and especially among small businessmen that they are required to complete too many forms for forwarding to the dominion bureau of statistics. Government bodies are always concerned that this information is in usable form. I often meet small businessmen and municipal authorities who wonder whether they are sending too many forms containing duplicate information to various levels of government.

Despite what the minister has said I am not convinced that the information that will be sent by the corporations in the schedule to various government bodies will find its way to the dominion bureau of statistics in usable form so that it can be compared and correlated and given some meaning and significance. I must agree with the hon. member for Skeena when he refers to the information available from insurance, trust and loan companies. The minister may say that information with respect to foreign control is available, but it is important that it be correlated so statisticians can work with it and some pattern can be achieved. I would assume we are not simply putting legislation on the statute books of this country merely to create more forms and more bother for the businessman of this nation.

Mr. Benidickson: And the unions.

Mr. Pitman: We have to justify it.

Mr. Matheson: And the unions.

Mr. Pitman: Yes, and the unions. We have to justify it to the extent that from the information we receive we can take legislative or other action to effectively organize and develop our economy so that foreign control will not increase. I am not convinced with regard to the segments of our economy referred to in the schedule that we will be able to correlate the information and obtain the kind of picture which could form the basis for the legislative action which we would hope would stem from information of this nature.

Mr. Caron: Mr. Chairman, it is not my intention to review the entire discussion which has taken place. It proves, however, that this measure is not sufficiently clear to satisfy the committee and the country.

I think we could go along with the amendment offered by the hon. member for Skeena, but may I be permitted to suggest a change to paragraph (h). There are a large number of small companies who would be called upon to file reports if the hon. member's amendment were adopted because the figures established by the amendment are really too low when you consider the economy of this country. I suggest that $100,000 is a very low ceiling. Many companies with a gross revenue of more than $100,000 are considered small businesses. If the hon. gentleman would increase the figures so the small companies would not be subjected to the application of this measure, I think I would be very glad to support the amendment. I urge the hon. gentleman to put the ceiling a little higher.

Mr. Howard: I am the most agreeable person in the committee this evening. I do not object to raising the limit. Among the hon. member for Hull, the Minister of Justice and the hon. member for Skeena we might amicably agree on a figure of less than $500,000 and unanimously support the amendment. I am in the awkward position of being restricted by the rules from amending my own amendment and that would have to be done by someone else.

Mr. Caron: Would $300,000 suit the hon. member?

Mr. Howard: Mr. Chairman, I am not in the business of auctioning.

Mr. Fulton: We might put up the hon. member for Assiniboia and the bid could be raised to $400,000.

Mr. Howard: Not as far as I am concerned.

The Deputy Chairman: The hon. member for Hull has the opportunity of placing a subamendment before the committee if he is prepared to write it out.

Mr. Caron: I will put it back to the original figure, Mr. Chairman. I move that paragraph (h) be deleted and replaced with the following which contains the original figures:

(h) any corporation, for any reporting period of the corporation in respect of which it can be established that

(a) the gross revenue of the corporation for that reporting period from the business carried on by it in Canada, determined as prescribed by the regulations, did not exceed five hundred thousand dollars, and

(b) the assets in Canada of the corporation as of the last day of that reporting period, determined as prescribed by the regulation, did not exceed two hundred and fifty thousand dollars,

except any such corporation that is one of two or more corporations that, by reason of inter-relationship of management, ownership or financial affairs, are designated by the minister to be related corporations and that would not, if considered as a single corporation, qualify as a corporation described in this item.

The Deputy Chairman: The subamendment reads that paragraph (h) be deleted and replaced by the wording the hon. member has suggested, and it goes on to change the figures from $100,000 to $500,000 in subclause (a) and from $50,000 to $250,000, in subclause (b).

Mr. Fulton: Mr. Chairman, would it not be simpler—just to show how co-operative we are here— if my friend the hon. member for Hull wishes to move an amendment, were he merely to move to delete paragraph (h) of the amendment? That would restore the original provision, I believe.

Mr. Caron: It would not.

Mr. Pickersgill: I do not think it would, Mr. Chairman, because the original amendment strikes out the whole of the schedule so there would be nothing left then and all these corporations would be affected if the suggestion of the Minister of Justice were adopted.

I should like to say a word about the amendment moved by my hon. friend. While I can well understand in the original amendment the reason for this, I think the rather compelling observations made by the hon. member for Kenora-Rainy River about putting an unnecessary charge upon small corporations to provide this information is something that will appeal to everybody in the committee. I think there has been unanimity almost to the point of competition, if unanimity can reach that point, to show that we in the committee are all friends of small business. No person has professed a greater interest in small business than has the leader of the N.D.P. I am sure he could just turn around to his group and suggest to them that we should not seek to penalize small business in an amendment which otherwise is seeking to make great corporations like the Bell Telephone Company and the C.P.R. subject to the law to which the middle size corporations will be subject. I think it would make it a great deal easier to get more support for the amendment if the subamendment commended itself to the leader of the N.D.P. and his followers.

Mr. Herridge: If I may interrupt the hon. gentleman for a moment, I simply wish to say that we are delighted to see what an influence we are having on the official opposition on a matter such as this one. I wish to correct him in one respect. I wish he would refer to me as parliamentary leader.

Mr. Pickersgill: I should be happy to make a bargain with the hon. gentleman since we are in the business of bargaining at the moment. If the hon. gentleman will stop referring to the Leader of the Opposition by an incorrect designation and will call him the Leader of the Opposition, I shall be very glad to call the hon. gentleman almost anything he would like to be called, except leader of the opposition.

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

Some hon. Members: Question.

Amendment to the amendment (Mr. Caron) negatived: yeas, 22; nays, 41.

The Deputy Chairman: I declare the subamendment lost.

Mr. Pickersgill: If I may I should like to say a word before the amendment is put. Notwithstanding the fact that our subamendment has been lost because small business appears to have no friends in the Tory party any more—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —it seems to me that the major aim of the amendment to bring certain of these huge corporations under the same law as that under which ordinary business is put, is the transcendent part. We would have been happier to have it in better form. However, in the circumstances, I would hope that my friends in the chamber would join with me in supporting the amendment.

An hon. Member: You have not too many of them.

Mr. Howard: I do not know whether I was included among those to whom the hon. member referred as his friends.

Mr. Pickersgill: Not in a political sense.

Mr. Howard: That feeling is mutual, in any event. I remember reading some time ago parts out of May's Parliamentary Practice which stated that if an amendment was defeated the original thereby stands. I imagine therefore that we have now voted in favour of the $100,000 and the $50,000 and perhaps we should delete that in putting that amendment.

Mr. Fulton: My hon. friend by that remark indicates the same knowledge of parliamentary procedure which allowed him yesterday to attempt to mislead the house. I do not think he will succeed in misleading the committee. Now that the opening bargaining and bidding process between the members of the Liberal opposition and the members of the N.D.P. opposition is complete, perhaps we can settle the matter of the amendment on its merits.

Mr. Pickersgill: By brute force.

Mr. Fulton: By this bill we include those giant corporations which have foreign control and about the effect of whose foreign control we know nothing. We exempt only those about whose foreign control we already know.

Mr. Benidickson: You do not know about some of the big ones.

Mr. Fulton: In spite of the fact that for many years he was parliamentary secretary to the Minister of Finance, my friend the hon. member for Kenora-Rainy River must have occupied his time in that capacity in such a way as to give him none of the information which he could have obtained. However, I can assure him that those to whom the information is available are able to profit by it.

Mr. Benidickson: I was familiar with items 1 to 6 every year while I was there.

Mr. Fulton: Precisely. However, my hon. friend does not seem to have put his familiarization to any good purpose. The point I make is that any further explanation would only be repetition on the ears of those who are not prepared to profit by the information. I therefore suggest that we might take the sense of the committee on the amendment.

Mr. Pickersgill: I cannot allow to pass without comment the reflections made by the minister on my colleague the hon. member for Kenora-Rainy River. From a minister who was obliged to confess earlier this evening that he had not read his speech since January and that it had egregious errors in it, it seems to me the suggestion comes with ill grace that some other hon. member has not read every document he might have read before coming into the chamber.

Mr. Howard: I would appreciate it, Mr. Chairman, if henceforth the Minister of Justice would refer to us here as the effective opposition. He would then be more nearly correct. However, I would point out this, if I could inferentially make reference to that about which the minister spoke and also to something which was attempted yesterday. My interpretation of the rules is that it succeeded. I am not one of those, as was the minister last year, who deliberately refuses to carry out his obligations under an act of parliament merely because he disagrees with what the results might be.

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

Some hon. Members: Question.

Amendment (Mr. Howard) negatived: yeas, 23; nays, 45.

Mr. Howard: Mr. Chairman, before you put clause 3 to a vote, I would point out that while the bill was given second reading without a division and it might therefore be said that it was supported unanimously, nevertheless it is a type of bill in which there is a mixture of goodness and badness. Members are often put in the position in dealing with bills of agreeing to second reading in the hope that in the committee stage the forcefulness of their arguments will have some effect on the minister involved from the point of view of increasing the effectiveness of the bill and improving upon it. With clause 3 as it now stands I will only say in passing that if we are unable to effect any alterations in the schedule when we are dealing with it paragraph by paragraph I am in serious doubt what my action will be on third reading. At the present moment my feeling is that I will not be able to support the bill on third reading if it reaches that stage in the same form it is now.

Mr. Roberge: Mr. Chairman, when we come to clause 4 of the bill we will see—

Mr. Fulton: Are we on clause 4?

Mr. Roberge: No; I am simply referring to it in connection with the question I am going to ask. When we come to that clause we will see that there are two sections to the return that is going to be required. In the schedule there are a number of types of companies listed. Under the statutes under which these companies operate are they

obliged to make returns in two parts, one part confidential and the other part not confidential?

Mr. Fulton: I think that would vary from case to case. Perhaps my hon. friend would ask me about particular cases. Generally speaking, however, the corporations enumerated in the first six paragraphs of the schedule report in very great detail. I am advised, for instance, that each insurance company reports in a great thick volume to the superintendent of insurance. The superintendent of insurance in turn, in the same way as the dominion statistician will do here with respect to part B returns, publishes his annual report summarizing the effects of the various individual reports he has had from the insurance companies in Canada. It is very much the same sort of system as will be followed under this bill.

Mr. Caron: Is there any part of the reports now being made to the transport commission or other bodies which is comparable to the section B confidential reports we are asking these other companies to make?

Mr. Fulton: Yes, indeed, Mr. Chairman. All the financial statements of the banks, insurance companies, trust companies, loan companies and so on, required to be filed with the respective officers detailed in the statutes under which they operate, are very much comparable to the financial information that will be required to be filed under this part.

Mr. Caron: Are they considered as confidential now?

Mr. Fulton: Yes, I understand that the details of the returns are confidential generally speaking in the case of the officers with whom they are filed, just as the details of the returns under part B will be confidential; but an analysis is made and a report summarizing the effects of all the information received is made by, for instance, the superintendent of insurance, just as a report compiled by the dominion bureau of statistics will be made in this case.

Mr. Caron: As it stands now, the small loans companies report to the Department of Finance under the Small Loans Act. Is there a part of their reports which is now considered confidential under the statute?

Mr. Fulton: I am informed that the details of financial statements, in such detail as is required under the Small Loans Act, that are filed with the Department of Finance would not be made available in detail to the public, but that there is no statutory or other bar to the revealing of that information in detail to the government in order that the government may decide upon the policy that should be followed with respect to small loans companies.

Mr. Caron: Who decides which part should be confidential and which part should not be confidential?

Mr. Fulton: That would be determined, I think, by virtue of the act under which the companies report. This bill will determine which parts of the report are confidential and which are not.

Mr. Caron: Then why are we asking more from other companies than we are asking from those included in the schedule? That is another reason why they should all be under the same act.

Mr. Fulton: Again I say I am advised that in the case of the insurance companies particularly, and most of the companies in the first six paragraphs of the schedule, they report a great deal more detail than the companies under this bill will be required to report.

Mr. Caron: But there is nothing in the law which says that part of it shall be confidential. It is only the department which decides which part shall be confidential.

Mr. Fulton: No, I have just pointed out that according to my understanding it is the respective statutes under which they report which determine what and to what extent confidentiality will be preserved.

Mr. Caron: I was told a while ago that in the case of the small loans companies the department decides what should be confidential and that there is nothing in the statute in that regard.

Mr. Roberge: If I understood correctly, the minister said earlier that the returns of those companies that are exempt under this legislation because they report somewhere else will be available to the bureau of statistics.

Mr. Fulton: Oh, yes. There is no bar whatsoever on the conveying of information within the government.

The Deputy Chairman: Shall clause 3 carry?

Mr. Caron: Ten o'clock.

Clause 3 stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, before I ask the minister what the government is going to do tomorrow, may I express my sympathy to him for the error of judgment that was

made in not sending the bill we have just been considering to a special committee of the house. We would have made a lot more progress if that had been done. Perhaps the minister might consider deferring this item, which seems to be taking a long time, and getting on with something urgent. Could he indicate what the government is going to do?

Mr. Churchill: Mr. Speaker, the expression of opinion yesterday that the opposition wanted to get on with the business expeditiously encouraged me to recommend the bill for study today and I do the same for tomorrow, followed by the amendments to the Veterans' Land Act. The third item would be Bill No. S-19, to amend the Canada Grain Act.

Mr. Pickersgill: What else?

It being three minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, April 4, 1962

The house met at 2.30 p.m.

COAL

ANNOUNCEMENT OF ASSISTANCE IN MOVEMENT TO MARKETS

Hon. Jacques Flynn (Minister of Mines and Technical Surveys): Mr. Speaker, authority has been provided for a continuation of assistance in the movement of Canadian coal. The previous orders in council providing this assistance expired on March 31 and have been succeeded by new orders passed on April 2.

The recent royal commission on coal, otherwise known as the Rand commission, recommended that steps be taken to assist Canadian coal, particularly in the maritimes, to find an increasing and stable market in the home area. Such a market should over a period replace the present dependence on a large scale, costly movement to Ontario. The commission made specific recommendations in respect to maritime coal which were designed to accomplish this purpose. However, the market situation has been altering rapidly and is presently in such a fluid condition that it is considered inadvisable to confine the measures of assistance by unduly restrictive provisions.

The assistance now provided is defined in the respective orders in council which are not restrictive in time. It is our intention to keep the situation under constant review and to make such changes, from time to time, in the orders in council as production and market developments may require. This flexibility will not only encourage the shift in market areas recommended by the royal commission; it will make such shift as easy as possible under the conditions as they may develop, with the lowest possible expenditure necessary to accomplish the main purpose. This purpose remains, as in the past, the maintenance of a reasonable level of employment in Canadian coal mines.

Specifically the new orders provide that the assistance to the mines in Nova Scotia and New Brunswick be widened to include payment of a subvention on all coal shipped. Provision is also made to encourage an increasing movement by rail from the mines to large consumers in Quebec and Ontario rather than by the expensive movement by water and transshipment.

In western Canada provision is made to continue the assistance on the movement of coking coal from mines in Alberta and British Columbia for export. This provision will permit a continuation of the existing export to Japan.

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I am sure that the areas concerned will welcome the announcement made by the minister to the effect that the assistance to the movement of coal to certain markets, both domestic and export, will be continued. As the minister said, this is in accordance with some of the recommendations of the Rand commission. The minister also said the situation was under constant review as far as production and markets are concerned.

I feel there will be some disappointment in the Cape Breton area in that the minister has made no specific announcement in connection with the proposed closing of No. 16 colliery. Furthermore, we expected at this time that the minister would make some specific announcement with regard to a national policy on coal. Such a policy is lacking. This is only a temporary measure designed to take care of an interim situation, but gives no definite or permanent relief to the area and to the industry concerned.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

PUBLIC SERVICE PENSION ADJUSTMENT ACT

EXTENSION OF LEGISLATION TO INCLUDE PROVIDENT FUND PENSIONERS

On the order:

Mr. Creaghan, seconded by Mr. McFarlane, moved for leave to introduce a bill intituled "An act to amend the Public Service Pension Adjustment Act (to include provident fund pensioners)".

Mr. Speaker: When this motion was last called it was stood over to give hon. members who wished to do so an opportunity to consider whether they would make any representations about the character of this bill, and specifically whether it might be a money bill requiring a resolution preceding its introduction. If any hon. member feels disposed to comment on the matter I shall be glad to hear him. Otherwise I think I can only say that I have not altered the opinion which I expressed tentatively before.

Questions

Mr. W. L. M. Creaghan (Westmorland): Mr. Speaker, it seems apparent from the discussion of last Thursday that Your Honour has formed the opinion that the bill I have attempted to introduce is, in your opinion, a money bill, and with the consent of the seconder I ask permission of the house to withdraw the bill. I propose later this day to introduce a resolution to the same effect.

Mr. Speaker: The hon. member may withdraw the bill as it has never been placed before the house. In any event I am sure the hon. member would be given unanimous consent if it were needed. Is that agreed?

Some hon. Members: Agreed.

Order discharged and bill withdrawn.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

NORTHERN AFFAIRS AND NATIONAL RESOURCES—JOHN J. WILDERMAN

Question No. 277—**Mr. Herridge:**

1. Was Mr. John J. Wilderman employed as a timekeeper with the Department of Northern Affairs and National Resources at Fort Smith, N.W.T.?
2. If so, is he still so employed; and, if not, why not?

Answer by: **Mr. Dinsdale:**

1. Mr. John J. Wilderman worked as project labourer on winter works road clearing, Pine lake to Hay camp. Part of his duties included timekeeping and grocery orders.

2. No. He was taken on strength January 8, 1962, and struck off strength February 15, 1962, because of a disagreement with the project foreman.

REFUSAL OF APPLICATIONS FOR CITIZENSHIP

Question No. 330—**Mr. Herridge:**

1. What is the number of applications for Canadian citizenship that were made and not granted since the enactment of the Canadian Citizenship Act in 1946?
2. What were the principal grounds for rejecting the applications?
3. Are applicants who are not granted citizenship in due course informed of grounds for withholding such grants?
4. Is membership in any lawful political, national, fraternal, or language group, a ground for not granting citizenship?
5. Is attendance at meetings, concerts, or other functions of such lawful groups, a ground for refusal of citizenship?
6. Is subscribing to a lawful political, labour, or language group newspaper or publication, a ground for refusal of citizenship?
7. Is membership in, or any activity on behalf of, any lawful trade union a ground for refusal of citizenship?
8. Are applications for citizenship refused in any case upon secret evidence?
9. What departmental procedure is employed to examine and pass upon the evidence before a decision is reached refusing citizenship?

[Mr. Speaker.]

Answer by: **Mrs. Fairclough:**

1. From the proclamation of the Canadian Citizenship Act on January 1, 1947, to December 31, 1961, 582,299 applications for citizenship were granted. During this period, on the basis of information available, 3,317 applications were refused. This figure includes some applications which have been refused on more than one occasion.

The foregoing totals may not be complete since it was not a requirement in the early years of the legislation that all courts file statistics relating to applications granted and refused.

2. No statistical reports are kept on the different reasons for refusal. Among the reasons are a lack of Canadian domicile, lack of residence in Canada for one year continuously prior to application, an inadequate knowledge of English or French, and an inadequate knowledge of the privileges and responsibilities of Canadian citizenship.

3. Not in all cases. Section 10 of the act provides that the grant of a certificate of citizenship is at the discretion of the minister.

4 to 6. In determining whether or not an applicant has an adequate knowledge of the privileges and responsibilities of Canadian citizenship, due consideration is given to membership in or participation in the activities of organizations concerning which there are grounds for believing that they promote or advocate the subversion, by force or other means of democratic government, institutions or processes as they are understood in Canada.

*MORTGAGE FORECLOSURES, ELLIOT LAKE, ONT.

Question No. 335—**Mr. Fisher:**

1. By March 1, 1962, how many mortgages had been foreclosed in Elliot Lake by (a) lenders, whose mortgages were guaranteed by Central Mortgage and Housing Corporation, and (b) by C.M.H.C. itself?
2. How much of a financial charge were these actions against the insurance fund?
3. What is the occupancy condition and ownership condition on this date for the houses on which foreclosure proceedings have been taken or which have reverted in other ways back to C.M.H.C.?
4. On this date, what was the record of empty homes at Elliot Lake?

Mr. Green: Mr. Speaker, as this answer contains many figures I ask that it be printed in *Hansard* without being read.

Mr. Speaker: Did the Secretary of State for External Affairs request that the reply be printed without being read because of its length?

Mr. Green: Yes, Mr. Speaker.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The answer above referred to is as follows:*]

1. As of the 1st March, 1962 the number of properties acquired at Elliot Lake, Ontario, by the mortgage insurance fund were:

(a) from lenders whose mortgages were insured by C.M.H.C.....	657
(b) from C.M.H.C. directly	17
Total	674

These properties were acquired mainly by voluntary transfer.

2. Payments have been made out of the mortgage insurance fund totalling $4,363,604, as of March 1, 1962.

3.

Sold to new purchasers and occupied	2
Rented	295
Unoccupied	377
Total	674

4. Answered by 3 above.

C.N.R. NEGOTIATIONS WITH CANADA AND GULF TERMINAL RAILWAY

Question No. 342—**Mr. Fisher:**

1. Since January 1, 1961, has the Canadian National Railways been in negotiation or discussions with officers or owners of the Canada and Gulf Terminal railway regarding (a) running rights on this railroad (b) the purchase of this railroad (c) the lease of this railroad?

2. As of March 25, 1962, what is the status of arrangements and/or negotiations between the C.N.R. and the Canada and Gulf Terminal railway, relating to construction and operation of the Matane-Ste. Anne des Monts line?

Answer by: **Mr. Martini:**

The management of Canadian National Railways advise as follows:

1. Yes.

2. The discussions which are continuing have no relation to the construction of the Matane-Ste. Anne des Monts line.

*F. A. GAFFNEY, C.N.R. VICE PRESIDENT

Question No. 344—**Mr. Fisher:**

1. How long has F. A. Gaffney been vice-president, highway services, of the Canadian National Railways?

2. In summary, what are the qualifications, and what has been the experience of Mr. Gaffney for this post?

3. Did Mr. Gaffney take part in the purchases by the C.N.R. of any of these trucking firms: East-West, Midland Superior, and Husband Trucking?

Mr. Martini: Mr. Speaker, the information requested in this question is not within the knowledge of the minister. Staff appointments on the Canadian National Railways come strictly under the control of the management. It has not been the practice of the management to disclose information from personal files of officers and employees and the sessional committee on railways, air lines, and shipping has in the past supported this position. The management advise that appointments of officials are made upon a judgment evaluation of the qualifications and experience of the individuals concerned.

*L. J. MILLS, C.N.R. SENIOR OFFICER

Question No. 345—**Mr. Fisher:**

1. What are the educational qualifications of L. J. Mills of the Canadian National Railways senior staff?

2. How long has he held his present post?

3. Has he ever had business experience with truck lines or trucking, other than on the C.N.R.?

4. Was he called before hearings of the Quebec transportation commission in 1961 to explain the C.N.R.'s purchase of truck lines?

5. If not, did the president of the C.N.R. tell the Quebec transportation commission that Mr. Mills (as the comptroller) could explain the financing of the truck lines purchased or taken under option by the C.N.R.?

6. If so, on what date did the president refer to Mr. Mills as the comptroller?

Mr. Martini: The answer to questions 1, 2 and 3 is the same as that given to question 344. The answer to questions 4, 5 and 6 is as follows: The management advise that the evidence before the Quebec transportation commission is transcribed and is available for examination.

*CANAL CONSTRUCTION, LAKE SIMCOE—EFFECT ON FISHERIES

Question No. 352—**Mr. Badanai:**

Has the Department of Fisheries given any consideration to the possible effect on the fisheries, through smelt and lamprey infestation, of building a canal into lake Simcoe; and, if so, what is the result of that consideration?

Mr. MacLean (Queens): The answer, Mr. Speaker, is yes; scientists of the Department of Fisheries were asked by the Department of Transport for their opinion on this matter.

There is already an open waterway from lake Ontario into lake Simcoe but there is no evidence of lamprey or smelt entering lake Simcoe through this waterway. This does not guarantee, however, that if another all water route was established from Georgian bay, lamprey and smelt would not succeed in reaching lake Simcoe. They would, however, still have the problem of establishing themselves. If lamprey did establish themselves they would undoubtedly have an adverse effect on the lake trout. In the case of smelts, this species would compete with other fish in the lake, but it has been demonstrated that smelts can provide a profitable fishery as well as serving as food for the other species.

Questions

CIVIL ACTIONS UNDER FOOD AND DRUGS ACT

Question No. 354—**Mr. Martin (Essex East):**

1. How many civil actions were initiated under the Food and Drugs Act since January 1, 1961?
2. Were there any convictions; and, if so, how many?
3. What companies were involved, and what was the amount of the fines in each case?

Answer by: **Mr. Cardiff:**

1. 116.

2. 87. Of the 87 convictions fines were paid in 83 cases and jail sentences imposed in 4 cases. One case of the 116 initiated was dismissed. There are 28 cases in which charges have been laid but which have not as yet been completed.

3. See attached table.

Actions Initiated Under the Food and Drugs

January 1, 1961—March 31, 1962

Name	Amount of Fine $
Chemo Drug Co. Ltd.	5.
G. W. Rutherford Ltd.	15.
E. J. Denouden (country meat packers)	25.
Don Shaw Pharmacy	25.
Sohnel Meats (Wm. Zieger)	25.
Paul O. Gravel	25.
Laiterie Beaudoin	25.
Laiterie Lallier	25.
Euclide Corriveau	25.
Leo Paul Lauziere	25.
E. L. Stickley & Co.	25.
Alfred Dube	35.
St. Joseph Pharmacy (Gillies Petit)	50.
Albanel Societe Co-operative Agricole	50.
Consenza Cremerie	50.
Guiseppi Saputo & Figli	50.
Lenz & Co. Meat Products	50.
Viking Meat Market & Lockers	50.
Northland Drugs Ltd.	50.
Quebec Smoked Meat	50.
Joseph T. Gelinas	50.
J. C. Lord	50.
McClung-Clemens Ltd.	50.
Conger's Red and White Store	50.
Emile Sansfacon	50.
St. Felicien Societe Co-Op Agricole	50.
Junction Meat Market Ltd.	50.
Sterling Meat Market	50.
St. Felicien Co-Op Agricole	55.
Hygienic Charcuterie	75.
Marché Central Eng. (E. Bourboin)	100.
Syndicat Cooperatif d'Achats et Ventes	100.
Gregoire Pharmacy	100.
Lakeland Dairies Ltd.	100.
St. Eustache Pharmacy	100.
Labelle Pharmacy	100.
Favre & Freres	100.
Epiciers Unis Ltee	100.
Howe's Meat Market	100.
Stokes Drug Co. Ltd.	100.
Blady's Meat & Poultry Market	100.
Iberville Meat Market	100.
U. McMahon & Fils	100.
Melnick Food Products	125.
Bayview Dairy (Wm. Wilkinson)	125.
St. Marcel Societe Co-operative Agricole	125.
Beaudry Pharmacy (Dr. Raphael Brandry)	150.
South Shore Salaison	150.
Alphonse Lafleur Ltee	150.
Salaison LaSarre	150.
Salaison St. Jerome	150.
Noel & Patrice Boivin	150.
Iberville Pharmacy	150.
Nordic Drugs of Canada	150.
St. Lin Pharmacy (R. Legrande)	200.
Murray Rexall Pharmacy	200.
Laflamme Pharmacy	200.
Samson Pharmacie	200.
European Quality Meats	200.
Melnick Food Products Inc.	250.
Noe Bourassa Ltd.	300.
Eastern Sausage Co.	300.
Barclay's Drug Store	300.
Viaduct Drugs	300.
Bell-Craig Ltd.	300.
Ida Levasseur	375.
Federal Packing Inc.	400.
Berke Drug Store	400.
Salaison Salaberry	400.
Picard & Fils	450.
Sherbourne Meat Market	450.
Cosenza Cremerie	450.
Saputo and Sons	450.
Fugere Pharmacy	500.
Hygienic Charcuterie	500.
Massey Provisions	500.
Crete and Davidson	800.
Theodore M. Gevry	840.
E. Clermont	1,000.
Gaudreau & Frere	1,000.
Boyer Pharmacy	1,500.
Berke's Pharmacy	1,800.
Rafael's Drug Store	2,500.
Gerard Guy, Six months in prison.	
M. E. Savickas, Jail term.	
Eugene Servant, Two years in penitentiary.	
Ideal Sausage Co., Charges dismissed.	
Lawrence E. Fritz, 2 months and $1,000 fine or additional 6 months.	

[Mr. MacLean (Queens).]

Charges Laid but Cases not Completed

New Noranda Dairy
Alfred Tremblay
Syndicat Cooperatif Agricole St. Cœur de Marie
Societe Cooperative Agricole de Chicoutimi
Federal Packing Inc.
Syndicat Coop. des produits laitiers de St. Croix
Martin Veillette
Pierre Dupont
Bruno Lamy
Mme. H. Lavergne
Gerard Bellerive
Lorenzo Fugere
Henri Bournival
Roland Veillette
Pesner Bros.
R. H. Ames
Harry Crouch
Bannerman and McCarron
J. B. Kipp, R. J. Kipp, joint charge
Nick Peconi
George E. Gibson, Gordon S. Johnson, joint charge
Dr. O. Raymond
Robert C. Hooten
Robert A. Carey
Charles Thomson
Edward Peconi
Ludger Brisson
G. Menard
R. Menard
J. P. Menard.

*BELLECHASSE ELECTORAL DISTRICT RETURNING OFFICER

Question No. 355—**Mr. Boulanger:**

1. On what date was Mr. G. Labrecque appointed returning officer for the electoral district of Bellechasse?
2. Who recommended his appointment?

(Translation):

Mr. Dorion:

1. Mr. G. Labrecque was appointed returning officer for the electoral district of Bellechasse by P.C. 1958-189 dated February 5, 1958, and was reappointed as returning officer for the same electoral district by P.C. 1960-1206 dated August 31, 1960.

2. In accordance with the terms of section 8 of the Canada Elections Act, returning officers are appointed by the governor in council. It has long been the custom that the recommendation to the governor in council is made by the Secretary of State. As to such suggestions as may be made to the Secretary of State of names for incorporation in his recommendation, these are made on a confidential basis and it has never been the practice of any government to reveal the source or identity of such suggestions as may be made.

(Text):

BILL OF RIGHTS—PRINTING AND DISTRIBUTION

Question No. 359—**Mr. Matheson:**

1. How many copies of the Canadian Bill of Rights have now been printed, and at what expense?
2. How many copies have been (a) sold (b) distributed free; and what is the legal authority for the free distribution?

Answer by: **Mr. Dorion:**

1. 20,000 copies at a cost of $6,000.

2. (a) 14,500 copies. (b) 178 individual copies to members of parliament on request; 225 copies to the press, school commissions, boards of trade, etc., for publicity purposes.

Authority for distribution to members of parliament is TB minute 477983. Distribution for publicity purposes is chargeable to the vote for that purpose of the Department of Public Printing and Stationery.

TENDERS FOR WARNING SIGNALS, HALIFAX-DARTMOUTH

Question No. 361—**Mr. McWilliam:**

1. Were tenders called during 1961 for the installation of 22, more or less, warning signals in the Halifax-Dartmouth, N.S., area; and, if so, on what date?
2. What was the medium, or media, used in advertising the tender call; and what are the names, with addresses, and amounts, of parties submitting tenders?
3. To whom was the contract awarded, and in what amount?

Answer by: **Mr. O'Hurley:**

1. Yes, on September 29, 1961, tenders were invited for the installation of twenty-two (22) attack warning sirens in the Halifax perimeter area in accordance with specifications and drawings provided by the Department of National Defence.

2. The Halifax district office of the Department of Defence Production mailed invitations to tender to thirteen (13) regional firms considered capable of handling the contract. Two tenders were received as follows:—

Arthur & Conn Limited,
P.O. Box 34, Halifax, N.S. $18,398

Canadian Comstock Co. Ltd.,
12 Queen st., Dartmouth, N.S. . $19,413

3. On October 13, 1961, the contract in the amount of $18,398 was awarded to the lower tenderer, Arthur & Conn Limited. On March 1, 1962, this contract was amended to provide for the following additional work at the prices indicated:—

(a) Supply and installation of metering facilities for twenty-two (22) sirens, $1,226.72 lot.

(b) Supply and installation of 1" x 1½" x 72" slats spaced approx. 1½" apart around poles #35, 36, 37, 42, 44, 45, 46, 48 and 52, $225.00 lot.

Questions

LOT 19, JUNCTION GORE, GLOUCESTER TOWNSHIP

Question No. 363—**Mr. McIlraith:**

Was an independent valuation obtained by crown assets disposal corporation of the 3.10 acres of land in lot 19, Junction gore, Gloucester township, which was sold to Principal Investments Limited, as appears in sessional paper 194, tabled February 14, 1962; and, if so, what firm or firms made the independent valuation, and what is the amount of such valuation and the date of its receipt by the department?

Answer by: **Mr. O'Hurley:**

1. No. Principal Investments Limited first offered to pay $10,000 per acre but after negotiations agreed to pay $15,000 per acre which, bearing in mind the limitations of the site, namely its triangular shape and the special conditions of the sale was considered in line with the current value of land in that area, as confined by consultation with officers of the national capital commission.

LIVESTOCK EXPORTS, 1960-61

Question No. 365—**Mr. Rogers:**

What was the quantity and value of livestock exported during the fiscal year 1960-61?

Answer by: **Mr. Morris:**

Quantity and value of livestock exported during the fiscal year 1960-61:

Class No. in 1960	Class No. in 1961	Description	Unit of Qty.	Quantity	Value
(2010)	(1-19)	Cattle, purebred	No.	22,738	$ 7,833,505
(2040)	(1-49)	Dairy cattle n.e.s., weighing 200 lbs. and over	No.	16,507	4,041,598
(2045)	(1-70)	Cattle n.e.s., weighing less than 200 lbs.	No.	31,118	764,434
(2050)	(1-80)	Cattle n.e.s., weighing 200 lbs. to 700 lbs.	No.	116,237	10,828,920
(2055)	(1-90)	Cattle n.e.s, weighing over 700 lbs	No.	55,113	10,676,424
(2020)	(2-19)	Sheep, purebred	No.	1,052	56,718
(2075)	(2-49)	Sheep n.e.s.	No.	1,999	34,622
(2025)	(3-19)	Swine, purebred	No.	5,073	361,033
(2080)	(3-49)	Swine n.e.s.	No.	4,839	169,868
(2057)	(4-25)	Horses for slaughter	No.	6,927	557,624
(2060)	(4-49)	Horses n.e.s.	No.	1,961	383,963
		Total		263,564	$35,708,709

*VANCOUVER—PROTESTS RESPECTING RENT INCREASES FOR ELDER CITIZENS

Question No. 366—**Mr. Herridge:**

Has the Prime Minister received a letter dated March 23 from Mr. J. W. Chesterman, secretary of the federated legislative council, elder citizens association of Vancouver, B.C., protesting the increases in rents of the C.M.H.C.-administered housing projects in Vancouver, B.C.; and, if so, what answer has been made?

Mr. Diefenbaker: The letter was received and acknowledged. As stated therein, I brought the matter to the Minister of Public Works, who is responsible to parliament for Central Mortgage and Housing Corporation. My information in connection with this matter is, as I am informed by the corporation, that it has not issued any instructions to the administrators of these projects to increase the rents. These two projects are administered by a local housing authority pursuant to an agreement entered into between the local housing authority and the federal-provincial partnership.

[Mr. O'Hurley.]

*ABOLITION OF TOLLS, JACQUES CARTIER AND VICTORIA BRIDGES

Question No. 371—**Mr. Fisher:**

1. Has the national harbours board made representations to the Minister of Transport within the past eighteen months asking the government to proceed with the abolition of tolls on the Jacques Cartier and Victoria bridges?

2. If not, has the national harbours board made representations to the Minister of Transport within the past 18 months asking the government not to proceed with the abolition of tolls on the Jacques Cartier and Victoria bridges?

3. Has the national harbours board given the government an estimate of the total cost to the taxpayer of the abandonment of tolls on the Jacques Cartier and Victoria bridges; and, if so, what is the estimate?

Mr. Martini: The answers are as follows:

1, 2 and 3. Under the long established practice of the house, departmental or interdepartmental communications are considered as privileged and in accordance with that practice it would not be proper to deal with this question.

*C.N.R. RIGHT OF WAY, VICTORIA BRIDGE, MONTREAL

Question No. 373—**Mr. Fisher:**

1. Has the national harbours board, the Department of Transport, the Montreal harbour commission, or the Department of Finance negotiated with the Canadian National Railways for the price at which the C.N.R. is willing to relinquish its running rights or railway right of way on the Victoria bridge in Montreal, in connection with the government's announced intention of abolishing tolls on the Victoria and Jacques Cartier bridges?
2. If so, has any contribution to these negotiations or discussions been made by the city of Montreal or the province of Quebec?
3. Has the C.N.R. indicated the basis upon which it determines the money it will require to relinquish its rights and income from Victoria bridge?
4. If no negotiations have taken place by any agency with the C.N.R., how does the government intend to end the present integration of the Victoria bridge within the C.N.R. operating structure?

Mr. Martini: The answers are as follows:

1. Preliminary negotiations with Canadian National Railways do not contemplate the railway relinquishing its running rights or railway right of way on the Victoria bridge.
2. No.
3. Yes.
4. Not applicable.

FEASIBILITY SURVEY, N.B.-P.E.I. CAUSEWAY

Question No. 375—**Mr. McWilliam:**

1. Has a survey been undertaken of the engineering feasibility of a causeway across Northumberland strait from New Brunswick to Prince Edward Island; and, if so, has it been completed, and what are its findings?
2. If the survey has not been completed, when is it expected to be completed?

Answer by: **Mr. Green:**

1. Yes; it has not been completed.

2. No definite date for completion can be given at this time. The duration of the survey is dependent on the outcome of investigations still underway.

NATIONAL RESEARCH MODEL STUDY, N.B.-P.E.I. CAUSEWAY

Question No. 376—**Mr. McWilliam:**

1. Has the national research council undertaken a model study of a proposed crossing of the Northumberland strait between New Brunswick and Prince Edward Island?
2. If completed, what is the result of the model study; and if not, when will it be completed?

Answer by: **Mr. Green:**

1. No model study has been made of a proposed crossing; two dimensional model studies of cross sections of a causeway have been carried out.

2. It has indicated a satisfactory cross section based on calculated wave heights. These results will be rechecked on the model when actual wave heights in the strait are determined. (Delay has been due to damage of equipment by ice as indicated in answer to question No. 377.)

WAVE MEASUREMENTS, NORTHUMBERLAND STRAIT

Question No. 377—**Mr. McWilliam:**

Were wave measurements in Northumberland strait undertaken during any periods by the national research council; and, if so, what is the result of the measurements?

Answer by: **Mr. Green:**

Yes. However, the equipment was damaged by ice during the past winter and therefore no significant results were obtained. The equipment will be repaired and the measurements continued when the ice clears.

COLLEGE MILITAIRE ROYAL DE SAINT-JEAN—COMPLETION OF STUDIES

Question No. 380—**Mr. Dupuis:**

Has the government authorized Le College Militaire Royal de Saint-Jean to offer to cadets attending the said institution the opportunity of completing their studies without having to go to the Royal Military College at Kingston, Ontario; and, if so, when was such decision taken; and, if not, when will the government accede to the numerous requests made to that effect?

Answer by: **Mr. Chambers:**

Under the present system officer cadets at the College Militaire Royal de Saint-Jean and Royal Roads attend the Royal Military College at Kingston for the last two years of college training. Le College Militaire Royal de Saint-Jean was established in 1952. The first group of officer cadets from College Militaire Royal graduated into the services in 1957. One of the objectives of the college was to enable French speaking cadets to commence their training in their native language. In this it has been a notable success. The program is under continuous study to see whether improvements can be made.

INQUIRY INTO RICHELIEU RIVER WATERWAY

Question No. 381—**Mr. Dupuis:**

Has an international commission been charged by the government to inquire into the advisability of undertaking operations to provide a deep waterway through the Richelieu river; and, if so, at what date was this done, and which commission was chosen therefor?

Answer by: **Mr. Green:**

Mr. Speaker, on March 8 I indicated that it was hoped that the matter would be referred to the international joint commission in the near future by means of a joint reference from the governments of Canada and the United States. Discussions are proceeding with the United States authorities

regarding the terms of the reference. When the terms are settled and the reference is made, the house will be informed.

*PARTS OF MACHINES—TARIFF BOARD DEFINITION

Question No. 383—**Mr. Benidickson:**

In several tariff board appeals heard since April 1, 1959, involving the matter of whether the goods which were the subjects of the appeals were parts of machines or whether the goods were not parts of machines, in its decisions in these appeals, did the tariff board give a definition, test, or other determination which establishes the conditions under which goods are parts of machines and the conditions under which goods are not parts of machines; and, if so, what is the definition, test, or other determination given by the tariff board which establishes the conditions under which goods are, or are not, parts of machines?

Mr. Fleming (Eglinton): Mr. Speaker, the following declarations made by the tariff board since April 1, 1959, appear to have some relevancy to this question:

Appeal Number	Date of Decision
518	June 16, 1959
418	December 21, 1959
524	November 1, 1960
517	November 25, 1960
548	August 2, 1961
549	September 8, 1961
615	November 27, 1961
560	December 18, 1961
553	January 31, 1962

If it is the wish of the house or the hon. member for Kenora-Rainy River I shall be glad to table copies of these particular decisions, but I think he will agree that as these fall within the rule that any judicial decision must speak for itself he will not expect me to venture an interpretation of these decisions.

Mr. Speaker: The minister offered to table certain documents and I am not sure whether that is requested. Does the hon. member who asked the question wish the documents to be tabled?

Mr. Benidickson: I think it would be convenient to have them in the records of the Clerk.

Mr. Speaker: Does the house agree to the tabling of the documents offered by the minister?

Some hon. Members: Agreed.

CONSIDERATION OF TOLL ABOLITION, WELLAND CANAL

Question No. 384—**Mr. Fisher:**

When the Minister of Transport indicated in the house on Friday, March 23, that the government was giving serious consideration to abolishing tolls on the Welland canal, did this mean that the matter was before the Department of Transport or under consideration by the governor in council?

[Mr. Green.]

Answer by: **Mr. Martini:**

The position in regard to tolls on the Welland canal was clearly stated by the Minister of Transport at page 2122 of *Hansard* of March 23 and no elaboration is considered to be appropriate or necessary. It was also stated in the house by the minister on March 29 that if and when a decision on this matter is taken by the government it will be announced in the usual manner.

WHEAT TRANSFERS FROM 1960-61 TO 1961-62 ACCOUNT

Question No. 385—**Mr. Argue:**

1. How many bushels of wheat were transferred from the 1960-61 wheat account to the 1961-62 account?
2. What was the transfer price for statutory grades?
3. Was this based on the current wheat board selling price?
4. If not, then on what basis were the prices established?

Answer by: **Mr. Jorgenson:**

1. 199,297,606.5 bushels.

2.

	per bus.
No. 1 northern	$1.8778536
No. 2 northern	1.8547249
No. 3 northern	1.8722924
No. 4 northern	1.7911390
No. 4 special	1.8378992
No. 2 Garnet	1.8533136
No. 3 Garnet	1.8390972
No. 1 Alberta red winter	1.7992394
No. 2 Alberta winter	1.8731518
No. 3 Alberta winter	1.8486195
No. 1 amber Durum	2.3974172
No. 2 amber Durum	2.3789953
No. 3 amber Durum	2.3672897
No. 4 amber Durum	2.3296727

3. Priced open sales contracts were transferred to the 1961-62 pool at contract prices. Remaining unsold stocks (including unpriced open sales contracts) were transferred to the 1961-62 pool at the board's quoted prices as at the close of business on February 28, 1962.

4. See answer to 3 above.

*C.M.H.C.—REJECTED APPLICATIONS FOR LIMITED DIVIDEND PROJECTS

Question No. 386—**Mr. Garland:**

1. How many applications for limited dividend projects have been rejected by Central Mortgage and Housing Corporation since January 1, 1962?
2. How many individual units were involved in these rejected applications?

Mr. Green: The answers are as follows:

1. Three.
2. Two hundred and sixty-four units.

*JOSEPH DREAVER, MISTAWASIS INDIAN BAND

Question No. 389—**Mr. Howard:**

Is a Mr. Joseph Dreaver of the Mistawasis Indian band an employee of the federal government in any capacity; and, if so, when did he commence employment, at what salary, and what are his duties?

Mrs. Fairclough: Mr. Speaker, Chief Dreaver is not a civil servant but his services have been retained on a contract basis at the rate of $25 per diem, including expenses, for a five day week since December 1, 1961. His duties require him to survey the Indians of Saskatchewan in respect of their reactions and recommendations concerning the findings of the joint committee of the Senate and House of Commons on Indian affairs.

[*Later:*]

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of Citizenship and Immigration based on her answer to my earlier query with respect to Chief Joseph Dreaver. Has the minister's attention been drawn to the fact that while he is doing the work for the department she indicated he is also organizing for the Conservative party?

Mr. Nowlan: I hope so.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I know nothing of that matter.

[*Later:*]

Mr. Howard: I wonder whether I might ask another question of the Minister of Citizenship and Immigration. If it requires notice, perhaps she could take it as notice. Can the minister indicate whether there are any other Indians in Canada—and if so, what are their names and so on—who have been employed in the same sort of work Chief Dreaver is doing?

An hon. Member: Order paper.

Mr. Speaker: I think the question is one that might properly go on the order paper. There are a good number of Indians in Canada.

*SALE OF TIMBER, TSIMPSEAN INDIAN RESERVE NO. 2

Question No. 390—**Mr. Howard:**

Has the Minister of Citizenship and Immigration received a resolution from the band council of the Port Simpson Indian band to the effect that the said band has agreed to accept the offer of the Beaufort Industries Ltd., tendered on February 13, 1962, for the purchase and removal of timber from the Tsimpsean Indian reserve no. 2; and, if so, what decision, if any, has been reached?

Order for Return

Mrs. Fairclough: Mr. Speaker, although no resolution in the formal sense has been received at headquarters, on March 14, 1962 I received a telegram from the council of the Port Simpson band indicating they were prepared to accept the offer of Beaufort Industries Ltd. This was later confirmed by letter dated March 24, 1962, signed by Chief Sampson.

As I announced in the house on Tuesday, March 13, the sale of February 13, 1962 has been cancelled and new tenders will be called. The new sale will be proceeded with only after agreement with the Port Simpson band council as to the terms and conditions to be included in the licence.

*UNEMPLOYMENT INSURANCE CLAIMANTS

Question No. 394—**Mr. Robichaud:**

What was the total number of active claimants for unemployment insurance benefits, as of February 28, 1962?

Mr. Thrasher: The answer to this question is that information regarding the number of active claimants for unemployment insurance as of February 28, 1962 is not yet available.

[*Later:*]

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the parliamentary secretary to the Minister of Labour. Can the hon. member advise the house when the figures for the number of active claimants for unemployment insurance benefits as of February 28, 1962 may be made available?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, I understand it takes approximately two months for those figures to be compiled.

Mr. Robichaud: Is the total number of claimants so high that it is not of general interest to release them?

QUESTION PASSED AS ORDER FOR RETURN

*PENSION MEDICAL ADVISER, PENSION COMMISSION

Question No. 301—**Mr. Benidickson:**

1. How many applications were received under competition No. 62-452 for pension medical advisers (medical officer 4) with the Canadian pension commission?
2. Who will compose the "selection board"?
3. How many applications were received from veterans with overseas service?
4. How many applicants will be invited to appear before the "selection board"?

MOTIONS FOR PAPERS

LOT 19, JUNCTION GORE, GLOUCESTER TOWNSHIP

Motion No. 35—**Mr. McIlraith:**

That an order of the house do issue for a copy of the report declaring the land (being part of lot 19, Junction gore, Gloucester township) surplus as referred to in order for return, sessional paper 194, tabled on the 14th of February, 1962.

Motion agreed to.

AMOS-MATTAGAMI HIGHWAY, QUEBEC

Motion No. 36—**Mr. Martel:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of all agreements, contracts, and other documents relating to the construction, under the roads to resources program, of the Amos-Mattagami highway including a copy of the contract entered into by the province of Quebec or the department concerned and the general contractor who carried out these works; a list of names and addresses of persons who worked for the general contractor and the provincial department concerned on the construction of the said highway; a list of subcontracts given out by the general contractor in connection with these works and the names of individuals or companies having rented equipment, by the hour or on a contract basis, for the carrying out of the general contract or the subcontracts in question; a list of suppliers, and the names of those who recommended them to the general contractor or the subcontractors.

Mr. Dinsdale: Mr. Speaker, since this subject was raised in the house last Wednesday I have had an opportunity of examining the roads to resources agreement with the province of Quebec. It seems to me that under the terms of the agreement the federal minister can ask for this information. For the purposes of audit and general examination. I am, therefore, accepting this motion subject to the province agreeing to the tabling of the information in the house.

Mr. Speaker: Subject to the reservation expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

ORDERS FIXING DUTIES ON IMPORTS

Motion No. 38—**Mr. Benidickson:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of rulings, directives, regulations, and prescriptions of the Minister of National Revenue, and also orders in council issued under authority of sections 39, 40, 40A, and 40B of the Customs Act (as amended by chapter 26, Statutes of Canada 1958); and a copy of ministerial orders issued since April 17, 1961; under the provisions of section 38 of the Customs Act for the purposes of fixing duties on imports.

Mr. Nowlan: The terms of this motion are wider than I would normally like to accept. I have had a discussion with my hon. friend

[Mr. Benidickson.]

and we have agreed upon the matters which should be included in its terms, so I accept the motion.

Mr. Benidickson: I thank the minister, and assure the house that we will have economy in the production of the papers involved.

Mr. Speaker: Is there any modification to be made in the motion? Is it the pleasure of the house to adopt the motion?

Motion agreed to.

NATIONAL DEFENCE PROPERTY PURCHASE, COQUITLAM DISTRICT

Motion No. 40—**Mr. Regier:**

That an order of the house do issue for copies of all tender calls issued to date, bids received as a result of such tender calls, and correspondence between individuals, organizations, corporations, and the government or any of its agencies, having to do with property bought for the Department of National Defence in the district of Coquitlam.

Mr. O'Hurley: I have met with the hon. member and we have made an agreement that, since this is a voluminous file, I will furnish him with the results of the last tender called.

Mr. Regier: That will be satisfactory.

Mr. Speaker: Subject to that explanation, is it the pleasure of the house to accept the motion?

Motion agreed to.

INDIAN RESIDENTS, PORT ARTHUR FEDERAL RIDING

Motion No. 42—**Mr. Fisher:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of any information in the hands of the chief electoral officer regarding the numbers and locations of Indians in the federal riding of Port Arthur and in particular, any information received from the Indian affairs branch with a view to assisting the chief electoral officer in covering this riding in the next general election.

Motion agreed to.

SALE OF TIMBER, TSIMPSEAN INDIAN RESERVE NO. 2

Motion No. 43—**Mr. Howard:**

That an order of the house do issue for a copy of all directives issued by the Minister of Citizenship and Immigration or the Indian affairs branch since January 1, 1960, to any employee of the said branch, and in particular to a Mr. Paul Brett, forester, relating to the proposed sale of timber situated on the Tsimpsean Indian reserve no. 2.

Mrs. Fairclough: Mr. Speaker, this notice of motion calls for the production of what are considered to be privileged papers, that is correspondence between headquarters and employees, and therefore cannot be accepted.

Mr. Howard: I might point out, Mr. Speaker, that it calls for a copy of directives issued from the ministerial level down, and it seems to me it would not fall within that class.

Mr. Speaker: The hon. member has heard the objection. Does he wish to withdraw or proceed with his motion?

Mr. Howard: I think it must be proceeded with, Mr. Speaker; there is too much cloud over this matter.

The house divided on the motion (Mr. Howard) which was negatived on the following division:

Division

YEAS

Messrs:

Argue	Lessard
Badanai	Loiselle
Batten	Macnaughton
Boulanger	McIlraith
Bourget	McMillan
Bourque	McWilliam
Cardin	Martin (Timmins)
Caron	Meunier
Carter	Mitchell
Chevrier	Nixon
Clermont	Pearson
Crestohl	Peters
Denis	Pickersgill
Deschatelets	Pitman
Eudes	Racine
Fisher	Regier
Garland	Richard (St. Maurice-Lafleche)
Granger	Roberge
Habel	Robichaud
Hellyer	Tardif
Herridge	Tucker
Howard	Winch—45.
LaMarsh, Miss	

NAYS

Messrs:

Aiken	Diefenbaker
Aitken, Miss	Dinsdale
Allard	Dorion
Allmark	Doucett
Asselin	Drouin
Balcer	Drysdale
Baldwin	Dubois
Barrington	English
Baskin	Fairclough, Mrs.
Beech	Fleming (Eglinton)
Bell (Carleton)	Fleming (Okanagan-Revelstoke)
Bell (Saint John-Albert)	Flemming (Royal)
Belzile	Flynn
Best	Fortin
Bourbonnais	Fulton
Bourdages	Gillet
Broome	Green
Browne (St. John's West)	Grenier
Browne (Vancouver-Kingsway)	Grills
Brunsden	Hales
Cadieu	Halpenny
Campbell (Lambton-Kent)	Hamilton (Notre Dame de Grace)
Campbell (Stormont)	Hanbidge
Cardiff	Harkness
Cathers	Hicks
Chambers	Horner (Acadia)
Charlton	Horner (The Battlefords)
Chatterton	Howe
Churchill	Johnson
Coates	Jones
Creaghan	Jorgenson
Crouse	Keays
Danforth	Kennedy
Deschambault	Korchinski
Kucherepa	Nasserden
Lahaye	Nesbitt
Latour	Noble
Legere	Nowlan
Lennard	Nugent
Letourneau	O'Hurley
Macdonald, Mrs.	Pallett
Macdonnell	Parizeau
MacEwan	Pascoe
MacInnis	Phillips
MacLean (Queens)	Pigeon
MacLean (Winnipeg North Centre)	Pugh
Macquarrie	Rapp
MacRae	Regnier
McBain	Ricard
McCleave	Richard (Kamouraska)
McDonald (Hamilton South)	Rogers
McFarlane	Rompre
McGee	Simpson
McGrath	Skoreyko
McIntosh	Slogan
McLennan	Small
McPhillips	Smith (Calgary South)
Maloney	Smith (Lincoln)
Mandziuk	Smith (Winnipeg North)
Martel	Southam
Martini	Spencer
Matthews	Starr
Montgomery	Stefanson
More	Stewart
Morris	Thrasher
Morton	Tremblay
Muir (Cape Breton North and Victoria)	Valade
Muir (Lisgar)	Webb
Murphy	Weichel
	White
	Winkler
	Wratten—141.

Mr. Speaker: I declare the motion lost.

TIMBER SURVEY, INDIAN RESERVES, B.C.

Motion No. 45—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a list of the names of each Indian reserve in British Columbia and the names of each Indian band to which each such reserve belongs which has had a timber survey conducted upon it by, or under the direction of, a Mr. Paul Brett, forester of the Indian affairs branch, along with the results of each such survey in terms of volume of timber by species and the acreage covered, and an indication as to whether or not any plans are in the offing for the sale of all or any part of the said timber and, if for a part of it, the percentage, by species and acreage, and for the details of any such plans.

Motion agreed to.

SALE OF TIMBER, TSIMPSEAN INDIAN RESERVE NO. 2

Motion No. 46—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, and other documents exchanged between the government or any member thereof, the Indian affairs branch or any officer or employee thereof, since January 1, 1954, and any other person, corporation, or organization relating to all proposed or actual sales of timber situated on the Tsimpsean Indian reserve no. 2.

Motion agreed to.

Inquiries of the Ministry

SALE OF TIMBER, TSIMPSEAN INDIAN RESERVE NO. 2

Motion No. 47—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all resolutions, dealing with all proposed or actual sales of timber situated on the Tsimpsean Indian reserve no. 2, passed by the Tsimpsean Indian band or the Tsimpsean Indian band council.

Motion agreed to.

D.B.S. QUESTIONNAIRE ON UNEMPLOYMENT, 1956 AND 1962

Motion No. 48—**Mr. Carter:**

That an order of the house do issue for a copy of the last questionnaire used by the dominion bureau of statistics in obtaining a sample for the basis of assessing the number of unemployed in 1956, and a copy of the last questionnaire used for the same purpose in 1962.

Motion agreed to.

COMMONWEALTH CONFERENCE

INQUIRY AS TO DATE OF MEETING OF PRIME MINISTERS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Acting Prime Minister whether he has any comment to make on the report in this morning's newspapers attributed to officials of the United Kingdom government, to the effect that a commonwealth prime ministers' conference is likely to be held toward the end of May or in June?

Hon. Howard C. Green (Acting Prime Minister): No, Mr. Speaker, I can make no comment on that today.

EXTERNAL AFFAIRS

NATO—CANADIAN ATTITUDE TOWARD NUCLEAR WEAPON POLICY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Acting Prime Minister. In view of a report in the Ottawa *Citizen* of April 3 entitled "NATO Nuclear Policy will set 'guide lines' ", can the Prime Minister assure the house that the Canadian delegation at the NATO permanent council will press at the forthcoming Athens meeting for a new strategy involving progressively diminishing reliance on nuclear weapons and more and more reliance on disengagement and disarmament?

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, as the house knows, meetings of the permanent council of NATO are not reported to the house. I could not comment on this speculative report.

[Mr. Howard.]

TELEVISION

STRANRAER, SASK.—GRANTING OF LICENCE FOR SATELLITE STATION

On the orders of the day:

Mr. R. L. Hanbidge (Kindersley): Mr. Speaker, I should like to direct a question to the Minister of National Revenue or the Minister of Transport. In view of the report in today's *Globe and Mail* that the Ontario court of appeal has allowed the appeal of the minister from the judgment of Chief Justice McRuer, concerning the recommendation of the board of broadcast governors for a satellite of station CFQC-TV Saskatoon at Stranraer, Saskatchewan, can the minister say whether he will now grant the licence immediately?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I have also seen the report to which reference is made. I have asked the law officers of my department to peruse the reasons for judgment as soon as possible so that a licence may be granted without delay. I know that my hon. friend wants his constituents to be able to watch the hockey play-offs, and I assure him we will do everything we can to please him.

Mr. Hellyer: Undoubtedly they will enjoy the election results as well.

Mr. Jack McIntosh (Swift Current-Maple Creek): A supplementary question to the previous question of the hon. member for Kindersley, Mr. Speaker. May I ask the Minister of Transport if it is not customary to allow a certain period of time to elapse so that appeals may be made against decisions of the court of appeal?

Mr. Balcer: Mr. Speaker, this is an expression of a legal opinion. I would not like to enter into a contest with my hon. friend on that subject. However, as I said earlier the law officers of my department will peruse the reasons for judgment and we will act accordingly.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, may I ask the minister a supplementary question. Can the minister say whether he is really in favour of Saskatoon or Swift Current?

Mr. Balcer: Mr. Speaker, I am really in favour of the public in the area receiving good television reception.

(Translation):

AGRICULTURE

QUEBEC—SUPPORT PRICE FOR MILK USED FOR CHEESE

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, my question was meant

for the Minister of Agriculture, to whom I sent notice. In his absence I shall direct it to his parliamentary secretary.

In view of the great confusion which exists among farmers, could the minister give us further explanations by telling us how compensatory payments will be applied to milk to be used in the production of cheese?

Mr. Maurice Johnson (Chambly-Rouville): The confusion is only in the member's mind.

(Text):

Mr. John Charlton (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, discussions with respect to the dairy program for the year starting May 1 are still continuing with industry groups. It will be a few days yet before an announcement can be made with respect to details.

FLOODS

MARITIME PROVINCES—INQUIRY AS TO APPROACH BY PROVINCIAL GOVERNMENTS

On the orders of the day:

Mr. R. C. Coates (Cumberland): Mr. Speaker, I wish to direct a question to the Acting Prime Minister. Have any of the governments of the maritime provinces been in contact with the federal government with regard to the disastrous flood that has caused extensive damage, particularly in Westmorland and Cumberland counties?

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, I do not believe there have been such contacts, but I shall make inquiries.

Mr. W. L. M. Creaghan (Westmorland): A supplementary question, Mr. Speaker, to the Minister of Transport. I wonder whether the minister could report to the house on the serious damage to the main Canadian National Railways line in southeastern New Brunswick between the city of Moncton and the Nova Scotia border, and whether he could indicate to the house when this damage will be repaired so that transportation may be carried on?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I am expecting a report from the Canadian National Railways in the very near future and will be pleased to make the contents of that report known to the house.

MANITOBA—INQUIRY AS TO AGREEMENT ON RED RIVER CONTROL PLAN

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I might ask the Minister of Northern Affairs and National Resources whether a final agreement has been reached with the government of Manitoba about the Winnipeg Floodway?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, the answer is no.

Mr. Pickersgill: A supplementary question, Mr. Speaker. Could the minister say whether the difficulty is that the federal government is insisting upon a ceiling on its expenditures?

Mr. Dinsdale: Mr. Speaker, I am happy to say there is no difficulty at all.

Mr. Pickersgill: Could the minister say whether he expects that final agreement will be reached in the very near future?

Mr. Dinsdale: Yes, Mr. Speaker, quite soon.

BRIDGES

JACQUES CARTIER BRIDGE, MONTREAL—INQUIRY AS TO TOLL CHARGES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the Minister of Transport arising out of the somewhat indefinite answer I obtained concerning the Jacques Cartier bridge. I wish to ask the minister whether negotiations are coming along successfully in regard to the relationship of the provincial and municipal governments in this toll matter?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, as I said last week I answered a question directed to me by the hon. member for Chambly-Rouville. As I said then a meeting had been arranged among representatives of the federal and provincial governments and the city, to be held next Monday here in Ottawa.

PUBLIC BUILDINGS

OTTAWA—REQUEST FOR EXTENSIVE USE OF CANADIAN WOOD

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I wish to direct a question to the Minister of Public Works. In his absence perhaps I could direct it to the acting minister. In respect to the new building to be erected by the government to house the Department of Northern Affairs and National Resources and the Department of Forestry, will the minister make sure that the greatest possible use of wood will be made especially in the interior of the building, to take as full advantage as possible of the many species of wood we have in this country?

Inquiries of the Ministry

Hon. Howard C. Green (Acting Minister of Public Works): Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Green: Mr. Speaker, I am just wondering whether we might make use of some heads around here. I shall have to take that question as notice.

COMMONWEALTH RELATIONS

WEST INDIES—INQUIRY AS TO OFFER OF UNION WITH CANADA

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. Yesterday the parliament at Westminster took final measures to dissolve the British West Indies federation. Now that that has been done is our government contemplating offering either economic or political union to the British territories in the Caribbean?

Hon. Howard C. Green (Acting Prime Minister): No, Mr. Speaker.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Acting Prime Minister a related question. Can the minister say whether the government has given any consideration to using its good offices with a view to assisting, if possible, in the maintenance of the lesser union of Barbados, the Windward islands and the Leeward islands which I understand Sir Grantley Adams is trying hard to achieve, and which would be certainly in the interests of Canada?

Mr. Green: We are only too glad to give what help we can. There is some balance remaining of the $10 million which was allocated for help to the West Indies federation. If I remember correctly, the bulk of what remains is being spent to help the smaller islands.

Mr. Pickersgill: If I may do so I should like to ask a further supplementary question. Can the minister say what disposition is now likely to be made of the ships that were made available by Canada?

Mr. Green: The ships were turned over to the West Indies federation. They are therefore not under the control of Canada in any way.

WATER RESOURCES

FURTHER STATEMENT ON EFFORTS TO OVERCOME SEA POLLUTION

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): On Friday last the hon. member for Lambton West inquired as to co-operation between Canada and the United States in efforts to eliminate oil pollution of waters of the great lakes. I might say that the United States refuse act is used for the prosecution of oil pollution cases in United States territorial waters in the great lakes area, and the oil pollution prevention regulations are used in Canadian territorial waters.

When cases of oil pollution occur in the great lakes area near territorial boundaries, the United States coastguard are contacted and such matters are dealt with to our mutual satisfaction. A close liaison exists between this department and the United States coastguard in this matter as in other maritime affairs.

As the house knows, both the United States and Canada are represented at the international conference on the prevention of pollution of the sea by oil now taking place at London. Both countries are signatories to the international convention of 1954.

CORPORATIONS AND LABOUR UNIONS

PROVISION FOR FURNISHING OF FINANCIAL AND OTHER STATISTICS

The house resumed, from Tuesday, April 3, consideration in committee of Bill No. C-38, to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada—Mr. Fulton—Mr. Martineau in the chair.

On clause 3—*Application of part I.*

The Chairman: Shall clause 3 carry?

Mr. Pickersgill: Just before the clause carries may I ask whether the minister can now tell us whether under the existing law statistics are required to show the extent of foreign ownership of the Canadian Pacific Railway and the Bell Telephone Company?

Mr. Fulton: I think the answer would be as follows, Mr. Chairman. While under the Railway Act there is no precise requirement such as that which the hon. member has mentioned, nevertheless the fact is that as a result of various royal commission inquiries and studies plus hearings of one sort or another before the board of transport commissioners and elsewhere, the facts are known as to the extent and the effects of foreign ownership as it may exist, of the two companies in question. They are fully known both, as I say, with respect to its extent and its effect.

Mr. Pickersgill: I am not particularly interested in the C.P.R. as I think everybody realizes that the direction of the C.P.R. is exclusively in Canada, wherever the ownership may be. I am quite sincere in saying

that. I do not think many Canadians feel the same way about the Bell Telephone Company. If the facts are known, can the minister indicate the degree of foreign ownership there is, as of the latest information available to the government, with respect to the Bell Telephone Company.

Mr. Fulton: I could get that information. I am not sure that I have it here. When we come to the balance of the schedule, I shall be able to give that information and indeed with respect to any of these companies. If at that time there is a strong view or agreement here that necessary changes should be made so as to remove them from the exemption, that matter could be considered at that time.

Mr. Pickersgill: Particularly in the case of telephone companies, since there will be a difference between the Bell Telephone Company and companies incorporated under provincial charter which would not come under the Railway Act, I think it would be rather unfair to make these smaller companies that are incorporated under provincial charter give a great deal of information that we may not require of the Bell Telephone Company. However, I am quite content to leave the matter until the minister comes to the schedule.

Mr. Martin (Timmins): I do not know whether or not I understood the minister correctly. There was a great deal of rustling in the chamber at the time. Did I understand the minister to say that for the purpose of this bill, which is to get full information with regard to foreign domination, it would be adequate in certain fields to depend on reports of royal commissions?

Mr. Fulton: I am sorry, Mr. Chairman, but I must ask the hon. member to repeat his question. I apologize for doing so.

Mr. Martin (Timmins): As I say, I may have misunderstood the minister. There was some unrest and noise in the chamber at the time. Am I to understand the minister said that for the purpose of this bill, which is to get full and complete knowledge of foreign domination of certain companies, it would be adequate to depend on the reports of royal commissions in certain cases?

Mr. Fulton: No, I do not think I said that. What I said was that, with respect to the companies that have been named—and I was replying to the hon. member for Bonavista-Twillingate who named two companies —it is our feeling as a result of inquiries that have been made from time to time, information of which is available to us, the extent and the effect of foreign domination of those companies is well known to the government now and will continue to be known by virtue of the methods of their operation and the reporting requirements to which they are now subject. However, I also said that if it was felt that with respect to one or other of those particular companies there was a reason why it should be done, consideration might be given to their exemption or their removal from the schedule and that I should be glad to discuss that matter in detail when we come to the schedule itself.

Mr. Howard: Surely this is as good a place as any to talk about it. We spent a fair amount of time yesterday dealing with this self-same subject. It is true that it was in an all inclusive way by way of an amendment of mine. However, it was related to the schedule. I think this matter would have a bearing on what feelings might be expressed with respect to varying or substituting parts of the bill which outline in detail what information is to be required.

Mr. Peters: It seems to me that if the government are honest in their intention really to assess who owns what company and as the minister said, the extent of foreign domination, we can only assume that this is really not what he wants to do, if he will not include these other companies.

As an example, let us take a small telephone company that probably has a provincial charter. When it is able to outbid the Bell Telephone Company for franchises in various parts of the country the question arises, who owns this particular company? Is it still a Canadian company? I would think not and everybody else thinks not. One can guess who does. However, I doubt that the minister will be able to find out, and if he is not willing to find out, if he does not want to know as a matter of course, then I would think he is not being very honest in saying that the reason for the bill is to develop Canadian ownership and to know the situation exactly with regard to Canadian ownership and control of companies and unions.

He mentioned the fact that some unions with 100 members or less are exempted. These 100 members would pay at least $5 each a month for union dues, which is not the minimum by any means, and this means that in a year they will only be paying $6,000 altogether and will have assets, according to the minister, of something like $3,000. I think that the size of the company would be a fair yardstick but many of the major companies in the country are exempted, and I do not think that the minister is going to be able to stand up in the house and say that he wants to do this simply to protect Canadians and to ascertain

the extent of foreign ownership and maintain Canadian domination and control over either unions or corporations.

Before I am willing to support the bill the minister will have to give a much better explanation of what he said was his prime purpose in introducing the legislation. If he does not do so, I can only assume that what he has done is to revise the bill he presented to the house last year, and that the bill now before us is not even a weak facsimile of the act that was passed in the United States on which he said the first measure he presented to the house was based. If this is what he has done, it would seem to me, after reading and agreeing with the principles of the labour management reporting and disclosure act of 1959 in the United States, that we would be much happier in this house if we accepted a bill of that kind than we would be with the one we now have before us.

I am surprised that the limits that have been applied in the exemptions set forth in the schedule are considered by the minister to be justified. If he is realistic about the matter I think he will agree that, although the information is available in some form in some department or agency of the government, this is not exactly what he wanted to accomplish by the bill, namely, to get all the information in one place where it could be examined and an over-all assessment of the Canadian economy could be made. If we have to go back to old reports made by commissions conducting investigations under the Combines Investigation Act, I think the purpose in mind will not be met. I maintain that most of the information that will be obtained under this legislation is already available in departments and agencies of the government to anyone who wants to look for it, and the only justification there is for passing this legislation is to be able to get an over-all picture. I suggest that in adopting this clause with the limitations that are set forth in the schedule we will certainly not be accomplishing what the minister says he wants to accomplish. I think this is a very good place for the minister to decide to make some amendments in order to do away with what we consider to be a very large loophole in his reasoning. This would be a very good place for him to make a start.

Mr. Fulton: Mr. Chairman, there must, I think, be a fundamental misapprehension regarding the effects of the bill in the minds of the hon. members in that corner of the house, or else I am satisfied they would not say what has just been said. In the first place, to deal with the points as I remember them, both the scope and the details required under this legislation are appreciably wider as contained in the bill than they were in the bill which was introduced in the house last session. The hon. member has only to look at the requirements contained in clause 4 to see the very great extent to which the financial implications and details now required are extended beyond what would have been required under the earlier bill. He has also only to look at the definition of "corporation" and the other provisions affecting that to see that the number of companies who will now have to report is greatly enlarged compared with the number that would have been required to report under Bill No. C-70 last year.

The reason for making the exemptions contained in the schedule is that we considered it was not good practice and not necessary to make companies which are already under a very heavy burden of statistical reporting enlarge the burden by reporting under this measure if we were satisfied that the kind of information they now report to other places is (a) approximately as complete in its detail and coverage as what would be required here and (b) already available to the government. We came to the conclusion that the classes of corporations outlined in the exemptions mentioned in the schedule do qualify under these headings, namely that they report in comparatively equal detail already and that the information so reported is available to the government.

Let us take particularly, for instance, those in paragraph 15 of the schedule, to which a good deal of attention has been devoted. I am sure hon. members will agree with me that if you stop to think of it you will realize that the railway companies and the telephone company referred to are under a very heavy burden of reporting to the board of transport commissioners under the provisions of the Railway Act. Every time a rate application comes up there is a vast volume of information that is required to be filed with the board of transport commissioners. I assure my hon. friends that there is really a very heavy burden of reporting already laid upon these companies.

So we asked ourselves the question, should we add to that the burden of reporting simply for the sake of securing information under this act rather than under some other heading, having in mind especially that the information so filed already under that other heading is already available to the government? We came to the conclusion that on those grounds the class of companies in head 15 of the schedule, as well as those in the first six heads of the schedule, should not be subject to the additional burden of having to report under this legislation.

As I say, when we come to any particular heading in the schedule I will be glad to have a look at it and if we should become satisfied that we are wrong and that either the kind of information we want is not available or it is already reported but is not available to the government, then we would be prepared to reconsider our decision as reflected in the schedule. However, I do hope that when hon. members come to that point they will give due weight to the fact of the already quite considerable, indeed very considerable, burden of reporting to which these companies are already subject.

To deal with the only other point that I recall being raised, it was that by virtue of this exemption in head 15 smaller telephone companies or other telephone companies are not going to have to report and that they might well be foreign controlled to a degree or in total. That is completely misconstruing the effect of the bill and the schedule. Every company in Canada, subject only to the revenue and asset lower limits contained in the schedule, is required to report unless it is exempted by the schedule.

The only telephone companies exempted by the schedule are those in respect of which returns are made to the Board of Transport Commissioners for Canada in pursuance of the Railway Act. The telephone companies which report to the Board of Transport Commissioners for Canada are exempt from reporting because we feel information of the type we want is already available. Telephone companies which do not report to the Board of Transport Commissioners for Canada will be required to file returns under this act. One way or the other, therefore, we feel we will have all the information we want to have in respect of telephone companies in Canada.

Mr. Peters: I believe that, in one way or another, all this information is already available to the government.

Mr. Fulton: I can assure my hon. friend that is not the case. The telephone companies not required to report to the board of transport commissioners would only be required to make such annual returns as might be called for under the Companies Act under which they were incorporated. I can assure my hon. friend that the information contained in those annual returns is not anything like as extensive as the information we are requesting under this bill. The information, therefore, would not at the present time be available to the government.

Mr. Peters: I was not referring only to the Companies Act but I was thinking also of the Department of National Revenue, the tariff structure, and the board of transport commissioners, other segments of the government to which returns are made that are somewhat of the same nature. The government would have this information, but the general public would not. I would assume that the type of information referred to in the first part of the bill is public information which would allow the general public to make a decision, and is not secret information. This type of information, in most cases, is already available to the government.

Mr. Fulton: I am sure the hon. member knows that the government, as such, does not receive income tax returns from corporations. There are well defined provisions in the act which maintain the confidential nature of the returns which go to the Department of National Revenue only. This government, as a whole, does not receive information filed in statistical returns with the bureau of statistics under the Statistics Act. The confidentiality of it is preserved even from the government. It was for these reasons, as I said earlier, it was felt it would be undesirable to amend the Statistics Act to allow these returns to be made available to the government because an excellent and desirable reputation for confidentiality and reliability of the bureau has been built up in respect of these returns. We did not want to tamper with that.

As I explained also, we came to the conclusion the best way to achieve the purpose we had in mind was to enact this bill and make requirements for reporting all the details under this act that will be available to the government. The only class of corporations that were exempted from these new requirements were those who report already under some other statute in a manner in which that information is available to the government, such as under the Railway Act, the Bank Act or the various other statutes mentioned in the schedule.

Mr. Martin (Timmins): Is this not tantamount to discrimination? As I understand the minister's explanation, we will have two different classes of corporations reporting to the government, one under the new bill and that information will be half public and half private, and the others in the present schedule that will not be required to give public information at all. Is this not a discriminatory aspect of this bill?

Mr. Fulton: We went through all this last night. I can only regret that the hon. member was not in the house when I pointed out that under other statutes, for instance, such as the Insurance Act, the insurance companies report in great detail to the superintendent of insurance. The superintendent of

insurance then compiles a statistical analysis of the facts and of the returns he receives, and reports that in turn to the public. The dominion bureau of statistics, in almost the same way, will compile a statistical analysis or summary for the B returns that it receives under this act and that report will be available to the public. There is, therefore, a close parallel between the two classes of companies, the ones included in the schedule on the one hand and the companies not included on the other hand.

Mr. Martin (Timmins): This may be true, but where is the similarity between the companies under the schedule, so far as the A section of this bill is concerned? I agree that the B section will be similar.

Mr. Fulton: In order to understand this properly, I think I must go back a bit. This bill will cover all corporations, whether public or private. Private corporations do not now require to make an annual return in public of the sort that public corporations make containing lists of directors, etc. This information is not made public by private corporations at the moment. As a result of the provisions of this bill, that information will now be included in part A of the returns and will be available for inspection by any member of the public on payment of a dollar search fee.

All classes of companies listed in the schedule are public companies required to make, some of them annually, reports to their shareholders which they must release as well as filing all this statistical information with the various bodies to which I have referred. These companies listed in the schedule, therefore, already make available the information we are now requiring private companies as well as public companies to file. There will be a virtual parallel between the kind of information required to be filed and the availability of that information as between companies under the bill and companies under the schedule.

Incidentally, Mr. Chairman, and I am sure the hon. member for Bonavista-Twillingate will be interested in this, I am advised that the annual report of the Bell Telephone Company for the year ended December 31, 1961 states that of the total shares outstanding, 92.2 per cent are held in Canada and in 1954 the percentage was 90 per cent.

Mr. Caron: Do they give the names of the subsidiary companies?

Mr. Fulton: I have not got that. This statement is based on a very quick glance at the report.

[Mr. Fulton.]

Mr. Caron: Could the minister get the information to see if the subsidiary companies are included in the report?

Mr. Fulton: Yes, but I think the report is as available to my hon. friend as it is to me.

Mr. Caron: You have more help than we have.

Mr. Fulton: I will have the annual report of the Bell Telephone Company here when we reach the schedule.

Mr. Pitman: We do not wish to hold up the legislation, but there seems to be some discrepancy between what the minister says and the result of this bill with which we are dealing in committee. I should like to read two or three sentences from the minister's speech when he introduced this measure. As reported on page 2401 of *Hansard* for April 2, 1962, the minister said:

> We are on the threshold of exciting and challenging opportunities for Canada. We have been through difficult times and decisions. We will face equally difficult times and decisions. But surely, we as Canadians, even if we are only 18 million people, are not afraid to measure up to the challenges of new opportunities and decisions affecting our economy. What better way can we measure up to new opportunities than by formulating our policies on the basis of information as to where we now stand in reality.

Surely, the criterion for this bill should not be whether or not it will be a great deal of trouble and perhaps some expense to obtain this information. If we really want to see where we now stand we should be ready, as a government, to subsidize the cost of obtaining this kind of information. Surely, we should have a full picture of what is going on in the area of insurance companies, in the area of trust companies and so on. To say that these are already reported is simply not good enough. Surely the criterion is not whether we have information in this part of government, in this division of this particular department, or some other division; that will not give us the picture as to where we now stand in reality, as the minister puts it. Surely the criterion is whether this information will be as readily available, whether it will be as easily accessible, whether it will be in a form which can be correlated and compared with the reports which will be submitted as a result of this particular legislation. That should be the criterion.

It is very easy to say that the government already has this information in other forms in other departments or various branches of various departments, but unless this is brought into one area it will not be of any use. Having in mind what the minister has

said with regard to not wanting to be involved in the Statistics Act, wanting to bring these various branches together under a standardized form so that all these other areas report in the same form, that argument simply leaves me cold. If we are trying to do what the minister says we are trying to do, namely get the full picture of the entire economy in all its facets and complexity, surely this argument that it is simply too much trouble for the businessman on the one hand—who I say could be subsidized—or that we do not interfere in certain other areas, as far as the government is concerned, is not valid because I cannot see how this is going to happen.

I do not think the minister has yet indicated whether, when we do formulate our policies, we will have as easily accessible and as readily available information as we would have if all these various sections of the schedule were brought under the act and we had a definite, formulated plan under which we could bring all these areas of our economy before the scrutiny of the government.

Mr. Fulton: Mr. Chairman, again I can only express regret that apparently the hon. member was not here last evening when I answered a question on all fours with that and said that I can state, without reservation, that it is our view that information with regard to the operation of all companies in the classes named in the schedule is now available, and is as readily available to the government by virtue of the present requirements for reporting that apply to those companies as will be the information from companies covered under the provisions of this bill. Information in as much detail and in a fashion as accessible to the government is already available.

Furthermore, in the case of the companies covered by the Canadian and British Insurance Companies Act, the Loan Companies Act, the Foreign Insurance Companies Act and the Trust Companies Act, the Minister of Finance is already bound to make an annual report to parliament containing the information already passed on to him by the officers to whom those companies report. So not only do we have complete information as to their operations and structure available already to members of the public service, and thus to the government, but we already have those members of the public service reporting to the Minister of Finance the factual details derived from those reports, in summary form, and the Minister of Finance in return placing those reports before parliament.

Furthermore, take for instance insurance companies. I assure the hon. member that the superintendent of insurance can obtain from those companies at any time just whatever information he likes to ask of them. As I say, those companies make this information available. It is available, and we just did not see any reason for duplicating the requirement of reporting.

Mr. Peters: Nobody is arguing that these things are not available; we know this.

Mr. Fulton: That is precisely what the hon. member said earlier.

Mr. Peters: We also know that this act is as empty as the pages at the end of its printed section. It just does not mean anything.

Mr. Fulton: Mr. Chairman, how can my hon. friend say, "It just does not mean anything" when 25,000 companies will be required to report under it who do not report this information to us at all now. Let me give examples. The General Motors Company of Canada does not report at all now; they will have to report under this act. Then there is General Electric, Westinghouse, just to name a few who now give only a fraction of what we are asking for here. I do not want to go into too much detail, but these are big companies with respect to whom we now have a dearth of information and which will be required to report under this bill. Does my hon. friend say that accomplishes nothing? That is absolute nonsense.

Mr. Peters: The Gordon commission sat and examined Canadian companies, and in reading their report I found that nowhere were they unable to get the information necessary for making an economic survey of the Canadian scene. If we are going to do it in the one paper, in the one book or in the one publication, knowing full well that the Department of the Secretary of State companies branch has not functioned for many years, we are in agreement that if we are going to do this we must put it all together and we will have this information. Then if some newspaperman in Toronto wants to pick up the publication and find out who owns Canada, all he has to do is pick it up and he can find it all in the one book. I cannot see any reason why we should not make companies not now reporting come under this bill. I do not mean that we would have to have all the details of all the shareholders, and so on, of these companies, but at least we should have the full details under section A which will allow for the publication of this information.

The minister says that 25,000 companies will have to report, but perhaps 25,000 companies will not have to report. No matter what decision is made on this information,

the information will be incomplete. If we are really going to find out who owns Canada, if this is our purpose, I think we can legitimately ask all companies to report. We know that you can look up an insurance company if you wish and find out many of these particulars. We know this, and we know it is a difficult process. We know that we have a great deal of difficulty in obtaining this information and putting it into relationship with other insurance companies, but we do this every time we are interested in an insurance company being incorporated in Canada. Members of parliament do this. But I am sure that the average person across Canada will get very little information out of these figures that are presented.

We are not asking—at least, I personally am not asking—that the section that cannot be disclosed to the general public be included, but at least this argument applies to the section that will give what the minister considers to be the pertinent information as to the control of Canadian companies by Canadians or the control by foreign interests, and who they are. This information could easily be gathered in one particular place, which would obviously be the new department which is being created. It could be given in the publication that would come from that department.

The minister says that the government wants this new information. The story around the country is that this is to find out about these terrific and terrible organizations, the labour unions, in Canada. I belong to several of those large organizations, and I am sure that the minister and some of his colleagues have asked for their financial statements and they have been provided without any question at all. This information is published in the daily newspapers; you can get it easily. You do not have to pass a bill to obtain it, because it is already available to everyone who wants to look it up. I think the only justification for this bill is to get this information all in one place so that it will have a relationship to other organizations with which these companies are connected. All this information would then appear in one publication.

Supposing we left out 10,000 companies; I do not think the results obtained from the other 25,000 companies would be of much value except as curiosity value, because you still would not be able to find out where the Canadian economy is going if there were a large percentage or a percentage over in left field over which you had no control at all and in regard to which you did not have this information available and had to look for it somewhere else.

The most useful way of obtaining this information would be if it were provided in the publication for which the minister is now being asked. I believe that this bill would serve no useful purpose if whoever was looking at this information had to say, "But 10 per cent of the Canadian economy is in government controlled corporations. It is in companies already incorporated under other statutes which have to say that they are Canadian controlled, and these other companies must report annually to parliament and are therefore not to be taken into consideration."

I agree with my hon. friend that this is not likely to involve a great deal of money. It is information that the auditor will have to concern himself with anyway, if he is reporting on these other agencies; so I think the minister is not being realistic when he says we shall be able to get this information from other sources, and that there is no legitimate reason for having it in this form. If there is not, I do not think there is any reason for having the other 75 per cent.

Mr. Fulton: The hon. member overlooks the fact that the dominion statistician will have available all the information with respect to the companies in the schedule to which I have referred, and it will not be beyond his power to include that information in the report he makes. It will be a comprehensive report covering all the companies in Canada.

Mr. Howard: It is amazing what a good night's sleep will do. The minister says it will now be available and last night he said he was not sure.

Mr. Fulton: That is not correct. I said the same thing last night.

Mr. Howard: Well, the general public can read *Hansard* as we can here.

Mr. Fulton: Better, apparently.

Mr. Howard: The minister's statements are there. In any event I should like to raise another question and say that it seems to me incongruous that here we are in the Canadian House of Commons considering, at the insistence of the government, a bill which is supposed to promote some degree of Canadianism in one way or another, a bill giving some effect to our feelings as Canadians and designed, eventually, to bring some of these corporations under Canadian control; yet in all of this we find that the minister in drafting the law is using an American phrase throughout, because he knows as well as I do that the word "corporation" is a Yankee phrase for a business structure—a structure which in Canada is known almost exclusively as a company. For example, in the Companies Act the word "company" is used throughout. That is the word used in Canada to designate these

organizations, yet the minister resorts to the American phrase and uses the word "corporation". If the hon. gentleman is influenced to that degree by American terminology we are bound to wonder whether he means what he says when he talks about the objects and likely effects of this bill.

Mr. Fulton: By way of comment on what has been said, I might point out that in the Interpretation Act "person" has been defined to include a corporation since 1867. The word "corporation" is well known in British and Canadian legal terminology, the hon. member's view notwithstanding. It also appears in the Companies Act and it appears as well in the titles of a great many Canadian public corporations. It occurs in the Financial Administration Act and so on.

Mr. Howard: That only indicates the degree of American influence which has infiltrated the government in drafting legislation.

Mr. Fulton: Does the hon. member suggest there was American influence in 1867?

Mr. Howard: If the minister wants to repatriate anything, why does he not repatriate the language, first of all? Look at the classifications set out here in the bill. The minister knows what the Companies Act says and to what it applies. It is true these other things exist as well, but that only shows the American influence.

Mr. Benidickson: I regret that I have not been present during this debate for the last half an hour and I do not want to duplicate this discussion in any way. There are people who will call me to order if the points I raise have already been discussed. I had other urgent business to attend to.

Since the discussion last night in which I was involved, I have found that the Railway Act contains a section in addition to that to which I referred last night—section 391, I think. But in connection with section 391 there is a suggestion, in fact there is a directive, that information provided by a company—a railway company, a telephone company, or an express company incorporated under the Railway Act—must give certain information to the board of transport commissioners. But that information is not available to the public in a way such as is contemplated—

Mr. Fulton: Nor is schedule B information here available to the public.

Mr. Benidickson: Not schedule B of this act. To sum up, I understand that financial information is not to be available to a representative of the public on payment of one dollar going to a certain minister's office. That is true, I agree, as far as the public reports are concerned. But as to the type of company referred to in the schedule which we discussed last night, items 1 to 6, about which there are published reports, it seems to me incongruous to find that all these companies do provide public information with respect to profit and loss, the very thing which has to remain secret with respect to other corporations under this bill. But these same companies do not, as I understand it, provide the public with the same accessibility on payment of one dollar as this bill makes necessary for all other corporations across Canada.

I think, as I said last night, that this is a sham—that this is a half baked measure and one which has not been properly presented by the minister. As far as banks are concerned, since our debate last night I have found that under the Bank Act, section 113, there is an obligation for the banks of our country within 30 days of the annual general meeting to transmit to the minister a return showing the name and address—I emphasize the word "address"—of each director. I referred to this yesterday in connection particularly with companies incorporated under the Railway Act. Now what does "address" mean? It means anything. I said yesterday it could involve a box number. If a wealthy man could employ a secretary in Montreal, or even have one of those recording machines to say that his address was box so and so, Montreal, he might be able to give Montreal as an address though his nationality might be other than Canadian.

I admitted yesterday that I had not looked at the Railway Act as carefully as I should have, but no member can look at all these statutes. I felt the minister last night was not as familiar with some of these statutes as he should have been. I did not refer last night to section 391 of the Railway Act. Neither did the minister. But if he looks at subsection 3 of that section he will find it might be possible for the board of transport commissioners to obtain information additional to that described, but under certain conditions. Why should our major industries such as the Canadian Pacific Railway, the Bell Telephone Company and others have an easier way of satisfying the desire on the part of the government to obtain information about foreign shareholding content than is provided in this bill?

I did not refer very much to insurance companies, and trust and loan companies last evening, but with respect to such companies I find there is executive discretion here. I observe that the minister has wide powers to obtain from such companies information on a prescribed form which he is empowered to change from year to year. All of these people

might be put in the position of providing carbon copies of the type of information that other small companies across Canada are asked for under this bill, but that has not been the practice.

The chief point I wish to present to the minister is that there is discrimination here. The big companies such as insurance and trust and loan companies, railway companies, telephone companies and others that have good, efficient and, I assume, well paid accounting staffs, could provide this information; but the minister is placing an obligation upon all the other companies described in this bill for the provision of information which, as I said yesterday and as the hon. member for Skeena also said, does not relate oranges to grapefruit under any statistical form.

If I were to say this bill is insincere I would be guilty of using an unparliamentary phrase, but allow me to say that it represents something which I do not think will be proceeded with to any extent following the next election. As I said yesterday, this is window dressing. I do not see that the measure is of much advantage to the country, especially when there is no harmony in the correlation of statistical information.

Mr. Fulton: Mr. Chairman, I can only say, and again I think it should be on the record in view of the extraordinary statements my hon. friend has made, that what the hon. gentleman is now saying is that a bill providing for the first time in the history of this country that the federal government obtain information as to how large corporations carry on their activities is a bill that does not accomplish anything. If my hon. friends in the Liberal party are prepared to allow substantial corporations such as General Motors to continue to operate substantially in entire secrecy, not only so far as the knowledge of the Canadian people is concerned but also so far as the knowledge of the Canadian government is concerned, then I leave the hon. members of the Liberal party to their abysmal ignorance, and so will the people of Canada.

This government is intent upon obtaining information concerning the economy of Canada and concerning how companies operate in Canada, whether Canadian owned or foreign owned. All we have said and all we have provided by the schedule is that where there is already a heavy burden of reporting laid upon those companies or classes of companies and where that burden of reporting has the effect that the information is available or can be made available to the government, we do not intend to duplicate that burden of reporting.

[Mr. Benidickson.]

Mr. Benidickson: Well, Mr. Chairman, the answer is obvious. The minister has gone out of his way to refer to another mammoth corporation, General Motors—

Mr. Fulton: Because you said the big companies will not have to report under this bill, and many of them will, many of them.

Mr. Benidickson: If the minister wishes to obtain information about General Motors, I am satisfied that information is already available.

Mr. Fulton: Where? May I ask my hon. friend where? Where does General Motors of Canada report in Canada?

Mr. Benidickson: To the income tax branch.

Mr. Fulton: My hon. friend as the former parliamentary secretary to the minister of finance is well aware of the secrecy provisions of the Income Tax Act. He knows that the Minister of National Revenue is not at liberty to disclose anything with respect to income tax information that he receives.

Mr. Benidickson: I agree. I do not see any purpose in advancing the information unless the information to be obtained is more pertinent and useful than is involved in this bill.

Mr. Fulton: When we come to clause 4 perhaps we can discuss that. I shall be glad to.

Mr. Benidickson: The cat is now out of the bag. The minister is interested in General Motors.

Mr. Fulton: That was merely one example.

Mr. Benidickson: All these other companies will be required to give innocent information the reporting of which will cost each corporation between $100 and $500. Yesterday the minister mentioned 25,000 firms. I do not know why this bill should require that procedure unless we are sure that some of the larger Canadian corporations incorporated under federal statutes are equally required to supply information that can be collated and assessed so that an impression may be obtained of foreign shareholding content. I think of telephone companies. I also think of my hon. friend to my left. I will not name him, but I know he is worried about this. Under section 391 of the Railway Act the Bell Telephone Company is required to provide certain information. All its competitors are required to give the public on payment of $1 a lot of information that the Bell Telephone Company is not required to provide. There may be private railway companies in this country other than the C.P.R. affected. I imagine they are exempt from

providing information as to the nationality of the owners of stock in those companies.

According to the election campaign of 1957, nationality is a big factor. There is nothing in items Nos. 1 to 6 of the schedules which requires disclosure of nationality. The items I referred to last night and particularly item No. 16 do not require disclosure of nationality. Why does the minister tell us there is a basic similiarity in the information to be provided if the biggest corporations across Canada are exempt from providing duplicate information of an identical nature?

Mr. Howard: A moment ago the minister said again—he has said this a number of times; he said it in reply to the hon. member for Kenora-Rainy River—that it was the desire of the government, as I gathered his words, to get information about the operation of the Canadian economy; that this was most necessary for the government in order to be able to deal with the economy; that they want the facts, the true facts, all the facts and the precise facts. This is what I understand is the desire of the government.

All we need to do is to balance that statement against the bill before us which is not designed to get all the facts but only some of the facts and which is not designed to get all of the information but only some of the information, and to balance that statement made by the minister just a moment ago against his attitude and the attitude of his government when the Combines Investigation Act was being considered by this parliament and by the banking and commerce committee. There a number of demands were made to have companies file with the director of investigation and research certain types of agreements they may have one with the other in order that he may understand the situation and in order that the government would have access to information relating to the operation of the economy. At that time when we made the suggestion with regard to agreements relating to price fixing in the export field or agreements relating to the variety of other matters contained in the Combines Investigation Act, or when we asked that this information be filed with the crown or be filed with the government in order that there might be some understanding and some assessment of these collusive price fixing arrangements, the minister then said, "No, we do not wish to know anything about that matter; we are not concerned with the detrimental effects that price fixing arrangements have upon the economy—"

Mr. Fulton: I rise on a point of order, Mr. Chairman. If my hon. friend continues with his misrepresentation of what I said about the Combines Investigation Act, I shall be obliged to reply. However, I suggest to you that the discussion is out of order. If my hon. friend is allowed to continue, I shall be obliged to reply, as he is completely misstating not only what I said but the effect of the whole discussion.

Mr. Howard: The effect of the whole discussion is quite clear in the statute itself, Mr. Chairman. I mentioned the matter only in passing because of the statement now made by the minister that he wishes to get that information. I say that all we have to do is to balance this statement against the bill and against what he said a couple of years ago on the amendments to the Combines Investigation Act. If we do so, we shall see that they do not balance. What the minister and the government do is oftentimes quite different—and it certainly is different in this case—from what they say.

The minister made a speech to the Canadian petroleum industry on February 22, in Regina. In that speech he made reference to this particular bill. In one of his comments there—and if I may do so I will read it—he said this:

> The intent of this bill is to make known the precise degree of foreign control over Canadian corporations and unions.

He has used this word "precise" on a number of occasions. Sometimes he says "somewhat precise"; sometimes he says "almost precise" or "similar". To me there is some distinction between "precise", "almost precise" and "similar". From that I take it that he was not misleading the Canadian petroleum association meeting in Regina but that he was telling them precisely what he wanted to know, namely the precise degree of foreign control over Canadian corporations and unions. However, this is not what the bill seeks to do. The bill seeks to get some information from some companies or corporations, as they are called in the bill. It seeks to get some information by way of this bill. It seeks to get other information from other types of corporations by way of other acts which are already in existence. It is certainly not the same information. The minister says that he can relate the information statistically and come up with some information. However, when we analyse the information carefully, I think we will find that it is not designed to get an understanding of the precise degree of foreign control or to get full information as to the operation of the whole Canadian economy, as there are other matters that are certainly known. The minister also placed these statistics on record. It is true that they were given in a general way. The hon. member for Leeds made reference

to them, others have made reference to them and I made reference to them. I refer to the dominion bureau of statistics figures with regard to the degree of foreign control over sections of our economy.

The dominion bureau of statistics now determines, as it has been doing for some years, what is the degree of foreign control that exists over Canadian industry in the manufacturing field. That information was placed on the record. As of 1959, it was 57 per cent and it has been increasing. They have information about the petroleum and natural gas industry. In Regina on February 22 the minister told the Canadian petroleum association that the figure was approximately 75 per cent. The dominion bureau of statistics says as far as they are concerned it is 75 per cent. Information about the mining industry has been placed on the record and an analysis by the dominion bureau of statistics of the degree of the control over the Canadian industry. There is information not only about the degree of foreign control but about the degree of foreign ownership. This gives a different figure percentagewise because it adds up different bits of information. This is information which the dominion bureau of statistics has. It is available. It is a public document. How does the dominion bureau of statistics get this information? How does d.b.s. now know this and how is it able to say and to report publicly that in 1959, with respect to the mining, petroleum and natural gas manufacturing industry, the degree of foreign control over that industry was 63 per cent. How do d.b.s. know this? How do they know that this control increased in the last two years from 61 per cent? How do they know it has increased in the last five years by some 8 per cent? How do the dominion bureau of statistics get this information? Do they guess it? Do they search through information which is filed with them? Do they look through the annual reports of various companies and then say, "This is what we discover about the degree of ownership and about the degree of control"?

I think the minister, even though he is not the Minister of Trade and Commerce, owes us an explanation as to how the dominion bureau of statistics obtain the information which allows them to make the statement that there is over certain sections of our economy at the moment this degree of control which the minister blessed by making reference to it himself in the house. I think this is some information which the committee needs to have before we can proceed to determine whether or not it is really worth while to pass the bill at present before us. If this information is knowledgeable—as apparently it is, to d.b.s.—how accurate it is, I do not know—surely that consideration may affect our decision with respect to other features of the bill as to just what type of information is required to be filed at the moment. Is this a case in which they take from public corporations any financial statements they issue or is this information which they have already gleaned in one way or another by way of statistics which are required to be filed with them?

I do not wish to be overly insistent about this matter. However, I think it is a rather important point. Apparently d.b.s. now get some statistical information. Otherwise they would not be able to come up with the statement that 63 per cent of the industry in Canada is under foreign control at the moment. We should like to know how d.b.s. get this information, what statistics are filed with them, from what sorts of corporations, or whether this is an accurate or inaccurate figure. I take it that corporations such as General Motors, which is a private company, are left outside the analysis that the bureau of statistics makes of manufacturing industries. The minister also referred to Canadian General Electric and two or three other corporations which are very large private companies that do not file information now. If these companies are outside of the area surveyed by the bureau of statistics in coming to the conclusion that the manufacturing industry of Canada is 57 per cent foreign owned, I think we are entitled to come to the conclusion that this figure is too low and should be increased in order to be more correct.

This is information which I for one would like to have from the minister so that we can assess, first, the value which we should place upon the figures already published by d.b.s. and, second, the value which we should place upon each of the provisions in section 4 asking for specific items of information. We should atempt to determine whether we really require the information requested in the bill or whether it is already being supplied in some other form. If the minister can assist the committee in this way it may help us to proceed with the consideration of the bill more speedily.

Mr. Benidickson: Mr. Chairman—

Mr. Howard: Could we have an answer from the minister?

Mr. Benidickson: —there are two or three questions I should like to address to the minister. Has he given consideration to the increase in the civil service that will be required as a result of the enactment of this legislation? Second, has he any estimate from the Department of Public Works as to what space will be required to file the reports of

25,000 companies reporting every year? How many years will these reports be kept ?

Although I am greatly alarmed by this empire building, more importantly I should like to make reference to the Canadian and British Insurance Companies Act and the obligation under that act to file information with respect to shareholdings. It is my information that prior to world war II the government was provided every five years or so with a public document recording the shareholdings of all owners of shares in the various companies that come under this act. I understand that we have not had such a publication since the war. I think this was due to a decision of the former government made on the basis of economy.

If we are concerned about retaining Canadian ownership of this important segment of our economy, then a question arises with respect to the supplying of information as to each and every shareholder of companies of this kind, including the insurance companies and the banks. The minister accused me yesterday of not even reading the last report of the Canadian Pacific Railway Company which I had in my files. I should like to ask the minister now whether he has given consideration to what might happen to the economy of Canada, and with respect to increased foreign ownership, if the information involved in the bill is to be made public on payment of $1? Has the minister given consideration to what might happen with respect to the raiding of some of these companies by foreign capital?

It is true that in the schedule to the bill he has exempted certain types of corporations in Canada which I think we are all proud to know are basically owned by Canadians. I have been asking why they have been exempted from the requirement of providing information as to shareholders such as is required in the main portion of the bill. Would the minister say that, so far as the corporations referred to in items 1 to 6 of the schedule are concerned, the same information should be available to the public? Surely the minister has looked at the stock market and the financial operations of the last two or three years in an objective way, as I have, and after reading the publications that report these matters is acquainted with what I call raiders.

One knows that a raider starts by looking at a record of shareholders. Has the minister started something here the results of which will be the very reverse of what he may have been persuaded by the Prime Minister was something that would fulfil his 1957 pledge to reduce foreign ownership? I say to the minister that as a result of the publication of shareholdings beyond that required under provincial law, beyond that required by our stock exchanges and beyond that supplied confidentially to the provincial and federal governments there is a great possibility that he will encourage raiding from that larger financial force to the south of us, the United States, through take-overs that will be made possible because of the information that will be forthcoming under this legislation.

Mr. Fulton: Mr. Chairman, before we go too far astray I wonder whether I might point out that, while I am anxious to co-operate with the committee and to give as much information as is relevant, the kind of speech we have heard in the last three quarters of an hour has really been the kind of speech that would be made on second or third reading when the principle of the bill is under discussion. Indeed, one hon. member used the phrase "before deciding whether or not to pass the bill I want to know" this, that or the other thing. May I point out that we are not deciding whether to pass the bill. We are dealing with the clauses of the bill because the bill was given second reading the day before yesterday. We have passed clause 1 where general discussion is by custom permitted and there was a wide ranging general discussion at that time. We are now on clause 3.

I have forborne raising this point before because I want to co-operate with the committee, but when we have the kind of speech made just now by the hon. member for Kenora-Rainy River then I say we are definitely engaging in a second reading type of discussion. I do not want to appear omniscient when I say this but I can assure the committee that all the points that have been raised so far were considered and that while they are all very difficult we came to the conclusion that to accomplish the object we had in mind this was the best way of doing it.

Now, with regard to the question of statistics that are compiled by the dominion bureau and published, I can refer the committee to the recent report on the Canadian balance of international payments in 1960 and the international investment position, page 62, where the bureau itself has fully set out a summary of the methods it follows in compiling these statistics and makes an assessment of their accuracy and reliability.

In so far as the question of whether or not this may open the door to raiding is concerned, I can say I certainly think it will not. It will have the opposite effect and will enable Canadians, by their increased knowledge of the affairs of these companies and the increased information available about them, more effectively to get into a position where they can participate in the direction of these companies and the

benefits from them. I would remind the committee in that connection that it was this government which early in our period of responsibility, when the threat of a take-over of some quite substantial Canadian life insurance companies did develop, acted to fill the gap that had been there for so long. This provision allowed insurance companies to take steps towards mutualization which would make it impossible for these companies to be taken over.

Mr. Benidickson: Surely, the minister will agree it did not make this impossible—

Mr. Fulton: If these authorized steps were taken, it would make it impossible.

Mr. Benidickson: It made it possible to avoid that result but I am saying, by virtue of this bill, you are reversing yourself. You are making raiding more possible than it ever has been before in connection with our important insurance companies, our important trust and loan companies.

Mr. Fulton: I rise on a point of order, Mr. Chairman. I think if my hon. friend wanted to make this point he should have made it on second reading before he voted for the bill.

Mr. Benidickson: I want to improve the bill by amendment, Mr. Chairman.

Mr. Howard: I do not want to go too far along the course the minister embarked upon when he objected to the trend of the discussion because last evening the minister participated in this debate along with other members. He answered, as best he could, the questions and objections which were raised as to whether or not certain corporations should be in or out of the schedule. I feel the minister was not serious a moment ago when he said he was rising to object to the course the discussion was taking because, as I said, he participated in the action which guided the discussion into this course.

The minister has said that all the points which have been raised have been carefully considered by the government in the preparation of this bill and that the government has come to the conclusion this is the best way to proceed. Well, I am amazed that the government has been able to come to a conclusion about something. However, under the parliamentary system which we have the government, in presenting its conclusions to parliament, has to explain, justify and satisfy the curiosity of members of parliament as well as of the general public as to whether or not the conclusions at which the government has arrived are correct in all the circumstances. This, the minister has not done. The minister has said that they studied carefully all these things and came to the conclusion that this was the best course to follow. The implication is, if you do not like it, lump it; we have a couple of hundred members who will support us no matter what we do, just as they did yesterday in blindly opposing the introduction of a bill without knowing what it was all about.

This is not the correct or decent way for a government to approach parliament. I only want to say that if the minister persists on this line of argument that the government studied everything, came to the conclusion that this was the best way to do it, without attempting to justify that conclusion or satisfy inquiries of members who have at least enough interest to ask questoins about it, then we will not get very far. The minister has an obligation to satisfy the many objections which are being raised by the small business people who say, "Heavenly day, we spend half of our time now filling out forms for the government, filing statistics for the dominion bureau of statistics and the various other sections of government concerning the size of our business, income, and so on."

Mr. Fulton: Which way do you want it, more forms or fewer forms, because you are now arguing on both sides of this question.

Mr. Howard: I should like fewer ministers of justice.

Mr. Fulton: I know you would, because then you would be able to get away with more than you are getting away with now.

Mr. Howard: Well, we will not get into the Columbia river discussion again. I am really telling the minister that he has an obligation to satisfy the complaints of the people in the business community who now say they are afraid that the government is enlarging upon the things that have to be filed. I think the government is now, by this bill, introducing another set of statistics to be filed. My approach to the problem yesterday was, if you are going to ask for this information, then let us put it all in one place. Let us not exempt the banks under the Bank Act from filing this information; let us not exempt trust and loan companies, radio corporations and so on under the Railway Act or the Aeronautics Act. Let us include them all.

In so far as the general question of too many forms to fill out is concerned, I raised that only to show that the minister has an obligation to satisfy these complaints and he has not done it. I wonder if I might call it five o'clock.

Mr. Fulton: I just point out that, as I said earlier, I am prepared to co-operate with the

committee and endeavour to satisfy the committee. This is the second day the measure has been considered in committee and we are now on clause 3. I think if members will look at *Hansard*, they will find that I appear quite as frequently answering questions as hon. members opposite appear asking them. If they will not accept the explanations that I give, then of course that is not a matter over which I have any control. I do not think the record should be left at this point, however, without reminding the committee that I have endeavoured frequently to explain and satisfy the committee about the policy behind the bill and the conclusions to which we came. I cannot compel hon. members to accept those explanations, that is just a matter of judgment.

The Chairman: It being five o'clock, the house will now proceed to the consideration of private bills, pursuant to section 3 of standing order 15, and it is my duty to rise, report progress and request leave to sit again later this day or at the next sitting of the house as the case may be.

Clause stands.

Progress reported.

WATER RESOURCES

REQUEST FOR CREATION OF WATER POLLUTION CONTROL DIVISION

Mr. H. W. Herridge (Kootenay West) moved:

That, in the opinion of this house, the government should consider the advisability of the creation of a water pollution control division, composed of representatives of the ten provinces, within the framework of the proposed national resources council, with powers and funds required to institute research programs, collect, collate, and analyse water control data, and to co-ordinate the water pollution control objectives for the provinces; in addition, to further the study of water pollution control problems of a national character.

He said: Mr. Speaker, in introducing this motion today I am making an appeal which has nothing to do with political beliefs or partisan convictions. The members of this party are alarmed at the sight of our industries and people polluting our waters, as it were, with their own hands from day to day. All over many parts of Canada the water table is falling, yet thousands of factories and hundreds of municipal sewer systems are discharging their wastes into our rivers and lakes with only a small fraction of our industries or municipalities giving so-called adequate treatment to this increasing flow of filth.

We all know that water is the lifeblood of any country and, while in the last 20 years we have more than tripled our former consumption, we are polluting our water and destroying the watersheds from whence it comes. We are destroying something without which we cannot survive and for which there is no substitute.

I might say, Mr. Speaker, that the soul of man, shaken and bruised by the ceaseless din of modern cities, which some people worship—and I am one who does not—and the relentless international and national sabre rattling, in this atmosphere more than ever, I believe, needs treeways rather than freeways, and pure waterways rather than sewerways.

However, regardless of these needs we continue to disfigure the natural landscape, erode our soils, destroy our forests and pollute our waters, in some cases almost with the zeal of a religious mission. It is because of the gruesome proof of the shortcomings of our legislation both federal and provincial, and the determination of this party to do all it can within its sphere of influence in the House of Commons and in the country to remedy this field, that I bring this resolution before the house this afternoon.

Strangely enough, Mr. Speaker, the problem of pollution has been recognized officially by both federal and provincial governments —I am speaking now of the federal parliament and the provincial government of British Columbia—since 1870, and it has been recognized that some form of legislation is required. We can even read debates of that date which clearly indicate that people were concerned about this matter in 1870. If they were concerned at that time, or at least some people were, how much more concerned should we be today? Yet since that time, except for some federal legislation of a bits and bobs nature leaving the responsibility with various departments of the federal government, and some provincial legislation of the same nature leaving the responsibility with numerous departments, in most provinces there has been little effective action, because all that has been done has been on a piecemeal basis. So that while the problem has been recognized for all these years and there has been legislation in part to meet it, we find that even a river such as the Ottawa is termed by most of the people of this city as a flowing sewer. We have heard the Prime Minister deal with the pollution of the Saskatchewan river, and I know something about the increasing pollution of the great Fraser river in British Columbia and something about the very limited but none the less real pollution occurring in the Kootenay and Columbia rivers.

I introduced this resolution, Mr. Speaker, because I believe the problem is of such

a nature that only co-operation among major governments can cope with it. Many local studies and efforts have been made. I saw a reference in today's *Citizen*, an editorial dealing with the report of the conservation board in Ontario with respect to the pollution of Ontario waters. I shall have to read this report; I shall send for a copy as soon as I can. Efforts have been made by various provincial governments and certain local authorities in cities and municipalities, and by some industries, to give them credit; also by various volunteer groups such as conservation groups and organizations of that type. But still the problem is increasing from day to day and pollution is greater in this country with every 24 hours that pass.

What we require, in the opinion of this party, is first of all a knowledge of the situation on a national basis. Then we need an understanding of the problem, an understanding on the part of our people. Strangely enough this is a problem which is not very glamourous. It is similar to the problem of the conservation of timber or the conservation of land; it does not strike the imagination of many people and very often it does not strike the imagination of the press. I noticed that in the press today there is considerable comment on the possibility of a divorce of two prominent movie people. This matter has been given far too much space in the newspapers, and they would be far better off if they reported fully my speech this afternoon, Mr. Speaker.

There has to be understanding on the part of the people and there has to be co-operation among federal and provincial governments, the local authorities and the people. This type of program is just the same as a forestry or a land conservation program; governments alone cannot give effect to it; there must be the understanding and co-operation of a large percentage of the population in the area in which the program is being implemented.

Throughout the years I have subscribed to the minutes of the British Columbia natural resources conference which is held annually in Victoria, Vancouver or somewhere else in British Columbia, to which go representatives of industry, labour, universities and government and discuss the various questions related to natural resources. In this connection I wish to quote very briefly from the sixth British Columbia natural resources conference which deals quite extensively with the question of water pollution. I wish to read one paragraph which has to do with the effectiveness of the present legislation. This is what the writer has to say:

> Considering the objectives for which they have been enacted, the various items of legislation have had considerable effect on the prevention and control of certain types of pollution. However, since the control has been carried out by separate government agencies, each with its own interest to consider, sometimes co-operating with other agencies and sometimes not,—

That is the situation today; there is duplication, overlapping.

> —the existing legislation probably has not been as effective in controlling pollution in all its aspects as it might have been.

That paragraph was written by a civil servant in British Columbia, and of course he had to place the situation before the conference in modest terms; but a lot more can be read into his words than appears on the surface. However, he goes on to deal with the various departments which have to deal with this matter. As far as British Columbia is concerned, we have these government agencies responsible for dealing with water pollution: local boards of health, the health branch of the department of health and welfare, the water rights branch of the department of lands and forests, the park service of the department of lands and forests, the fisheries department, the game commission, the attorney general's department; and we have the health act of British Columbia, the sanitary regulations of British Columbia, section 58 of the municipal act, the watershed regulations, the water act and the park regulations. They all deal with the various aspects of the pollution of waters.

As far as the federal government is concerned, we have the Department of Fisheries which administers the Fisheries Act and which deals with the pollution of waters, the Department of Northern Affairs and National Resources which deals with the Migratory Birds Convention Act, the national harbours board which deals with harbours by-laws, the Department of Transport dealing with the Navigable Waters Protection Act and the Canada Shipping Act, the Department of Public Works, and the local port authorities of the Department of Transport dealing with ports under the Navigable Waters Protection Act. So we have quite a body of legislation in the federal and provincial fields.

There is a good deal of legislation in both the federal and the provincial fields but in neither of these fields has there been a great deal of co-operation, and there has not been the co-ordinated approach to this problem which is necessary if we are to meet it.

This subject was the subject of a number of papers at the resources for tomorrow conference. The minister was good enough to send me a report of this conference and I found it very interesting reading when I had any spare time, though you will understand, Mr. Speaker, that I have very little time in present circumstances for meditation or for

reading other than resolutions and legislation and the letters that I get from people. I get a very large fan mail. However, I took an interest in reading this report and I have read the papers on water pollution in Canada. I wish simply to quote from the concluding paragraph because it supports my contention. As a matter of fact, it prompted me to introduce this motion this afternoon in the form in which I did introduce it. On page 359 of the report, I read this—it comes at the conclusion of a lengthy paper on water pollution in Canada:

> Possibly the greatest present need is a better knowledge of pollution problems on the part of the taxpayer. So many demands are being made for increased expenditures in urban communities that sewage treatment gets little support in many areas.
>
> In summary, pollution problems of major significance are already evident in Canada and will become more common and more severe as industrial and urban development increases. Hence, a more complete knowledge of present conditions coupled with prompt and effective remedial action, is essential for future national development and expansion.

I am confident that this effective remedial action cannot take place unless there is a co-ordinated approach to research and study followed by co-operation between governments and government agencies to give it effect. The first essential is knowledge based on research—an over-all knowledge of the situation as it exists in Canada. We have a great body of knowledge which is already available, or would be available if it were co-ordinated and presented to a central committee such as I suggest composed of persons representing the federal and provincial governments. Then we must have co-operation between governments and co-operation between the government agencies concerned. Following that we need a redrafting of legislation. It will mean a reallocation of responsibility for dealing with certain areas of this problem and also the education of the public to support the raising of the funds which will be necessary to meet the situation. It will mean taxes in municipal areas. It will mean, possibly, some particular taxation on a provincial basis and on a national basis. I believe this should be in the nature of taxation for a specific purpose, especially in the provinces; people in the provinces should know that there is a cent, or whatever it is, of their sales tax going to meet the pollution problems in their region. I think there would then be a better understanding of the problem. Anyway, there is room for education in this respect.

I wish to give other hon. members an opportunity to speak on this subject, but before ending my remarks let me say it cannot be overemphasized that damage to the natural order is frequently final—and it has been final in a good many instances in Canada. An exterminated species cannot be revived; a stand of virgin timber can never be replaced in its virgin form, and polluted waters can never be returned to their original purity. Even though attempts have been made to do so with the application of scientific principles and the expenditure of a good deal of money, it has not been possible to return rivers or streams to their original purity.

If we wish the mightiest river, the smallest freshet, to be other than a connecting link in a national disposal system of sewage and industrial waste, we must commence the battle for restoration immediately.

Mr. Murray Smith (Winnipeg North): I should like to congratulate the leader of the New Democratic party in this house for having brought this resolution before us, and particularly for the colourful way in which he has presented his arguments this afternoon. My own remarks will be confined to the situation which exists in my own province of Manitoba.

I am sure all hon. members are aware of the fact that a large number of rivers empty into lake Manitoba and lake Winnipeg. I believe they are also aware of the fact that the Assiniboine and Red rivers join right in the heart of Winnipeg. The Red river then flows northward and bisects my constituency. The residents of Winnipeg and of the province of Manitoba generally are keenly aware of the problem of water pollution. It is ironic that last year, because of the drought, there was very little water flowing through the river and the stench from the sewage which just sat there was something which it was difficult for the citizens of that metropolis to tolerate. This year there is a danger of the river flooding, so it seems we go from one extreme to the other; one year we have too little water in the river, and in another there is a danger of flooding. This, of course, is because of the fact that the prairie in that area is very flat and the river has at no time to make much of a decline before reaching its mouth in lake Winnipeg.

Another problem which contributes to water pollution is the fact that a great many of the cities through which these rivers flow have inadequate sewage disposal facilities. Indeed, in the city of Winnipeg itself my understanding is that the sewage disposal facilities are completely inadequate and out-dated and that the method of treatment of the sewage is not what it should be today. It is difficult to realize why a great many of these cities do not avail themselves of the opportunity of borrowing money for the acquisition of efficient sewage disposal units under the

program which is in effect through the Central Mortgage and Housing Corporation. I only hope as far as my own area is concerned that the metropolitan corporation of the city of Winnipeg will study this proposal and take advantage of the money which can be obtained through that corporation in order to provide an adequate sewage disposal system for an area which is growing every day of the week.

Water pollution by sewage does not, of course, confine its effects to human beings as has been pointed out by the hon. member for Kootenay West. Nevertheless, those who own property on the river banks north of the city of Winnipeg suffer from the results of this pollution. Those who are interested in athletics, in rowing or in swimming suffer from the effects of water pollution and, of course, in the province of Manitoba the fishing is damaged as a result of the pollution of our major lakes. The hon. member believes that a council such as he proposes could do a great deal to remedy this situation. I think that one of its major purposes would be to educate the people in these metropolitan areas, or in any area where water is being polluted as a result of inadequate sewage disposal arrangements or careless industrial plants.

A program of education would show the people what pollution is doing to our natural resources and would demonstrate what could be accomplished in the method of controlling this hazard. A first step in that educational program would be to educate the public to an acceptance of the fact that only through taxation of some form, only through money provided by the people, will this problem be controlled. It will be controlled only through the construction of adequate sewage facilities and the provision of adequate policing. Only by these methods and in this manner can the problem be controlled and that, Mr. Speaker, takes money, of course.

The downstream benefits that would accrue from the control of water pollution in Manitoba would be better fishing, better facilities for those who wish to engage in rowing, sailing and boating of all forms and, of course, a better environment in which ducks could breed on the waters of lake Manitoba and lake Winnipeg which are famous duck shooting areas.

I strongly recommend to hon. members of the house that this resolution be given most serious consideration, because, as we all know, this is a growing problem about which very little is being done by municipal, provincial or federal authorities.

(Translation):

Mr. Guy Rouleau (Dollard): Mr. Speaker, I listened with great attention a while ago to the remarks made by the hon. member for Kootenay West (Mr. Herridge) in support of his resolution concerning water pollution. They were brief but complete. I am not going to repeat to the house what he has just said, but I wish to support the resolution he has introduced, because I am aware of the problem that water pollution represents throughout Canada.

The problem is becoming more and more serious throughout the country, and we must deal with it. It has even become a crucial problem in the province of Quebec. In fact, in that province, out of a population of 4,628,378 people, according to the statistics for 1960, 2,380,000 people benefit from a sewer system, but only 97,500 of them benefit from a sewer system whose waste is treated so that it will not pollute the waters in which it is emptied.

The city of Montreal alone and its suburbs, where lives more than one third of the population of the province of Quebec, are surrounded by a magnificent system of rivers, including the St. Lawrence river, the lake St. Louis basin, the beautiful Back river and the Thousand Islands river. All these could be used for the enjoyment of the people of Montreal and the surrounding area. But because all the surrounding municipalities as well as the city of Montreal itself, empty their sewage in the various rivers I have just named, not to mention the different plants in and around Montreal which throw their waste into them, the people of Montreal and the surrounding area do not take advantage of these magnificent rivers as they should.

I notice that the hon. member for Laval (Mr. Bourdages), in whose constituency these rivers run is in his seat at the moment. I know that he fully appreciates the fact that water pollution is a real problem in the metropolitan area, and more particularly in his constituency. If we did not have that problem, as I just said, the people of Montreal and of the surrounding area could take advantage of those wonderful rivers, and engage in sports such as fishing and swimming. But because of water pollution, there is a danger of spreading contagious viruses, and that is why the population of the metropolitan area cannot take advantage as they should of the wonderful surrounding rivers and streams.

The late Dr. C. A. Kirkland, former M.L.A. for Jacques Cartier, had dedicated himself to water pollution control in the province of Quebec, and particularly in the Montreal area. Until 1960, because he was in opposition, he could not exert as much influence as he

would have liked in the provincial legislature, but since 1960, as a member of the provincial cabinet, he co-operated with the government in setting up a body which is commissioned to fight water pollution and to inquire into effective ways of controlling it. Unfortunately, Dr. Kirkland passed away a year ago, but Mrs. Claire Kirkland-Casgrain who, in December last, was the first lady to be elected to the provincial legislature continues the campaign that her father had undertaken to solve the problem of water pollution.

I take pleasure, in the field of jurisdiction which is ours here, to associate myself with her and to support her fight against water pollution not only in the metropolitan area of Montreal but in the whole province of Quebec.

Therefore I support wholeheartedly the motion which was so well presented by the member for Kootenay West.

(Text):

Mr. McGee: Before the hon. member resumes his seat may I put a question to him. Is the hon. member aware that in the province of Quebec loans approved or under consideration for approval under the sewage disposal legislation of the present government total nearly $15 million?

(Translation):

Mr. Rouleau: Mr. Speaker, I was not aware of the figures just mentioned by the hon. member.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, the motion submitted by the hon. member for Kootenay West (Mr. Herridge) is an excellent one as governments at all levels are worried about the serious problem of water pollution which is a menace to public health. Indeed, millions of tons of refuse are thrown into our rivers, lakes and streams.

The federal government, through Central Mortgage and Housing Corporation, has adopted a policy which is most advantageous for all Canadian municipalities which want to take advantage of it. As a matter of fact, C.M.H.C. subsidizes the building of sewage treatment plants and, according to the statistics we have, municipalities in the province of Quebec unfortunately are not availing themselves of the provisions of an act which would enable them to remedy the situation to a certain extent.

It is true that the federal government has some responsibilities in this field, but so have the provinces.

Mr. Speaker, there is no need to speak of industrial refuse and of the oil slicks left by boats using our waterways. Since 1958, the federal government has been much stricter with regard to the enforcement of the Navigable Waters Protection Act, more particularly on the St. Lawrence river. An act of the Canadian parliament has been prohibiting such practice in Canadian waters for a long time, but, since 1958, this government has appointed a patrol ship on the St. Lawrence, which is based at Sorel and constantly watches this waterway in order to prevent ships from disregarding the law during the navigation season.

It is essential that the government continue to maintain an active supervision with regard to ships letting off oil, which causes water pollution, more particularly in the St. Lawrence river.

Mr. Speaker, another serious problem, over which the whole world is concerned, is pollution caused by atomic waste. This is what I read recently in a newspaper about that problem:

> Radioactive nucleus move about and act, so to speak, as mobile contamination agents. Certain forms of cancer are already becoming apparent on the cells of plants growing in the Pacific, as a result of atomic water pollution. Knowing that the plankton can concentrate 10,000 times radioactive elements from atomic waste, and that currents can transport on very long distances this plankton, which is eaten by fishes and other animals sold later on for consumption purposes, the threat caused by the radioactive fallout and atomic waste cannot be under-estimated, even if they are enclosed in lead containers and dropped at great depths in the sea.

In order to substantiate the remarks I just made on the harmful effects of radioactive fallout, I should like to quote the statement made recently by an old scientist who has explored the deep sea and the stratosphere. I refer to Professor Piccard, who passed away recently and to whom special tribute must be paid for his essential experiments and his numerous services to the world of science. This is what he said:

> The water of the globe can be affected by radioactive waste.
>
> He said that the recent discovery of a living fish at the bottom of the sea, around the Marianas islands, which is 37,800 feet deep, points out to the existence of vertical currents going from the surface of the sea to its deepest parts.

We can therefore draw the conclusion that radioactive matters in the sea can contaminate the water even at the greatest depths. The article goes on to say:

> Mr. Piccard was referring to the record breaking dive by the American lieutenant Walsh and his own son aboard the *Trieste*.

As a result of experiments, the divers were able to observe through a porthole about a hundred feet from the bottom of the sea, a foot long abyssal fish of which Professor Piccard said this:

> That animal, and everything that lives around it, absorb the oxygen released in the water which is free from carbonic acid.

As I said earlier, Mr. Speaker, this waste could be carried to the bottom by sea currents and thus contaminate the ocean from top to bottom. I wonder if there is not at present within the United Nations an agency which could carry out that research work on a world-wide basis.

In fact, I believe there is a United Nations agency which looks after health questions. I wonder if such an agency could not consider the possibility of using the Antarctic as a huge cold storage for the world's radioactive waste.

In my opinion, that would be the best way of getting rid of those materials. Instead of throwing them into the ocean, the frozen regions of the Antarctic could be bombed and if the radioactive waste were buried 70 feet deep, it could be left there for over 30,000 years.

Mr. Speaker, I feel that the United Nations should consider what steps should be taken to prevent the contamination of water by those radioactive materials. In my opinion, it is high time that such studies be carried out to protect the whole of humanity.

It is unfortunate that the hon. member has not included in his motion the millions of dollars damage caused every year to agriculture by air pollution. Surveys made in the Los Angeles area in the United States have indicated that air pollution also causes losses to agriculture of $8 million a year.

This pollution which causes injury to crops is due to ozone, that is poor oil combustion, the result being, for example, the black spots appearing on tobacco leaves.

(Text):

Mr. Speaker: Order. I think the hon. member should not get on to the subject of air pollution and take up the time of the house with something that is irrelevant, as there are other hon. members who would like to speak.

(Translation):

Mr. Pigeon: Mr. Speaker, if I ran afield, it is because I wanted to point out to the house that the hon. member's motion should have included the suggestion to establish a committee to study the damages caused by air pollution.

[Mr. Pigeon.]

I will now resume my seat so that other members might be able to express their views on this important subject.

I wanted to take this opportunity to commend the hon. member on his resolution.

(Text):

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I just wish to take one minute in which to express briefly my support of the resolution. This subject has been discussed over and over again in past sessions and I think the arguments both for and against have been very well publicized. I see no need to repeat what has been said on previous occasions or even what has been said here today. I think we are all more conscious than ever of the necessity to safeguard our resources and of the importance of safeguarding our water resources particularly as a health measure, the need of which is becoming more and more acute as we become more industrialized and as we tend to develop larger and larger communities.

As I see it, the operative section of this resolution is the consideration of the advisability of the creation of a water pollution control division. Hon. members have pointed out that we have already recognized the problem of water pollution and that steps have been taken with respect to sewage control, sewage disposal and so on. One must assume that the purpose of setting up this particular division would be to develop a program and to carry it out more efficiently than can be done with the present agencies.

In my province we are not sufficiently industrialized to have any great problem of water pollution in our rivers, although we must take steps to safeguard against it in the future. However, we have a problem of water pollution along our coast. As the hon. member who last spoke pointed out, this is a serious problem for our province. It affects wildlife around our coast, particularly bird life.

It probably has some effect on the fisheries. I realize that the Department of Transport has a certain division that does something in this respect involving the working out of agreements with other countries, but in spite of this we do not seem to be coping with the problem very well. Every year there is more and more evidence of bird life being destroyed by oil dumped outside our territorial waters which drifts in toward the shore, or in some cases by oil that is dumped within our own coastal waters.

Perhaps the establishment of an agency such as the resolution proposes would enable the government to develop another approach to the problem and possibly with more success than we have had in the past. I commend the hon. member for introducing this resolution. I think it deserves the support of all hon. members and I hope that the idea suggested in the resolution will be carried out not only with respect to our inland waters but also from the viewpoint of tackling the problem of the pollution of our coastal waters and even of the waters outside our territorial limits.

Mr. Frank McGee (York-Scarborough): Mr. Speaker, I am very grateful for the opportunity to participate in the debate on the resolution introduced by the hon. member for Kootenay West (Mr. Herridge). I should like to place on the record at this point what action has been taken by the government in an effort to come to grips with this problem and to meet its responsibilities in this field. Then I should like to say something later about the activities of some private members of this house who have made such an outstanding contribution in this field in which, as the hon. member for Kootenay West acknowledges, the factor of education of the public plays such an important role in dealing with the problem. These hon. members have made an outstanding contribution in this field and I think they should be entitled to have that contribution acknowledged.

The program of the present government, introduced specifically to find a solution to this problem and to assist municipalities directly in establishing sewage disposal plants, has been one of the most successful programs introduced by the government in the last few years. Inquiries involving preliminary survey, formal applications on hand plus loans actually approved and sewage disposal plants in works make an impressive total indeed. There are no fewer than 354 applications representing municipal requests, and the total dollar value involved in these projects amounts to $120,926,000. Other inquiries have come to the government in recent months where the estimated value is unknown or it is not possible to make a reasonable assessment; so that the figure could be considerably higher than the total dollar value I mentioned.

This represents an effective response to one of the serious problems that confront our country, particularly those sections of the country where industrial development is taking place at the present time. Surely it is an intelligent approach to the problem to attempt to learn from the mistakes which have had such ghastly consequences in more settled areas, and areas where industrial development has been in progress for a number of years.

This program, with its low interest, long term loans to the municipalities, and an additional forgiveness factor to encourage construction of these plants before a certain date, makes a great deal of sense from the point of view of an answer to the pollution problem. In addition it provides a stimulus to the economy and the undertaking of many thousands of jobs which flow from activities of this kind. From my inquiries of and discussions with municipal authorities, I can say that there is no doubt in anybody's mind that if there had not been this impetus and encouragement from the government in this field only a fraction of these projects would be under way at the present time.

I mentioned that there were certain hon. members who had a distinguished history in dealing with this problem of water pollution. I should like to refer particularly to the hon. member for Jacques Cartier-Lasalle (Mr. Pratt) who since his earliest days, first as an alderman and later as mayor of the town of Dorval, made it his business to focus attention on this problem, to encourage public education with regard to the matter and to seek ways and means to find a solution to the problem which exists in his constituency and others in that neighbourhood.

Some hon. members may have seen a national film board short on this subject which was shown on the C.B.C. not too many months ago. I am sure those who did were as impressed as I was when the camera focused on an area littered with debris, garbage and sewage which, as the hon. member for Jacques Cartier-Lasalle, pointed out, a very few years ago had been a sandy beach where children frolicked and played in safety and without fear of pollution or ill health. This is a dramatic example of the deterioration that has taken place and the vital necessity for action to be taken. I should like to congratulate the national film board as well for its contribution to the education of the public to the fact that the solution of this problem is terribly expensive and that taxpayers in this country at all levels have to be prepared to face the fact that the ultimate and complete solution of the problem of water pollution is one of the most expensive prospects that faces this country.

I could not mention the hon. member for Jacques Cartier-Lasalle without commenting on the significant role that the hon. member for Comox-Alberni (Mr. McQuillan) played in his participation in the proceedings of the mines, forests and waters committee a few years ago. The report of that committee, one of the more sharply worded reports in the

history of parliamentary committees, urged action by the government in this field. I think it is a credit to the government that action has been taken, though perhaps not surprising from a government headed by a man who as a private member gave special attention to this problem and introduced private members' bills in the house dealing with water pollution which focused public attention and concern on the problem.

The hon. member for Lambton West (Mr. Murphy) in his area of western Ontario has been a continuing supporter of finding remedies for the problem. We are fortunate in the province of Ontario in that our municipalities have come forward in a very encouraging way to participate in this program. The total value of applications in work and under consideration in the province of Ontario up to a very recent date was about $82 million. This represents an important contribution by approximately 151 communities in the province of Ontario.

This work is being followed up, of course, and I presume the hon. member for Kootenay West had in mind a co-operative body involving such organizations as the Ontario water resources commission; and that these commissions or establishments, by whatever name they may be known across the country, would co-ordinate their activities, benefit from each other's experiences and proceed to make an increasing assault on this problem. I would point out, and I think the hon. member himself mentioned as well, the contribution made by the Minister of Northern Affairs and National Resources (Mr. Dinsdale) in initiating the resources for tomorrow conference. The kind of consultation which I think the hon. member has envisaged in this resolution certainly took place at that conference and will continue to receive the attention of this government.

Finally, I believe this debate provides an opportunity for me to refer to the federal grant to the metropolitan Toronto conservation authority under the Canada Water Conservation Assistance Act totalling some $14 million. The effects that will flow, directly and indirectly from this, in the field of conservation, in reducing pollution and bringing our citizens into contact with the benefits of such conservation programs, will be tremendous and will increase the interest of these citizens in what, as I mentioned before, is one of the more expensive problems facing governments at the federal, provincial and municipal levels in this country.

Mr. John Smith (Lincoln): Mr. Speaker, I feel that I would be rather neglectful of my duty if I did not, at this time, rise to support this resolution in principle which has been brought to our attention by the hon. member for Kootenay West (Mr. Herridge). I am going to confine my remarks to pollution of the great lakes and our inland waterways, which is a very important matter to the people who live in the part of Canada from which I come. I do not believe there is any part of Canada where pollution is a more serious problem than it is in the region lying along the shores of lake Ontario and lake Erie.

This pollution comes from three main sources. There is the pollution caused by the dumping of untreated sewage or partly treated sewage into our lakes and rivers. There is also the problem of industrial waste, and then there is the problem of the pollution of our waterways by vessels which pass through these waters. I should like, in the short space of time available, to emphasize the fact that the condition in our area has reached a point where it is beyond the ability of the municipalities to correct. I should like also to say that it is not only a question confronting Canada but it is also one confronting the United States. The Niagara river, which is in my riding, receives a tremendous amount of untreated sewage and industrial waste which comes partly from the United States and partly from Canada.

We all know that along the shores of lake Erie and lake Ontario, especially the southern area, of lake Ontario, this is an area that is polluted with algae. This algae is a kind of seaweed that thrives on sewage which has been dumped into our lakes and rivers, and has become a very important matter to the municipalities in that area. I wish to congratulate the hon. member from Kootenay West for bringing it to our attention. However, before resuming my seat, I should like to say that the question of pollution caused by vessels passing through the canals and rivers is becoming greater each day. More and more ships are passing through, and the ocean-going vessels are not too careful about how they dispose of their garbage or surplus oil. I am glad to know that this matter is being considered by the Department of Transport. I am pleased to note also that so many municipalities are taking advantage of the new legislation this government introduced a year ago making possible long term loans to build sewage disposal plants and trunk sewers. I do not want to talk this measure out as I believe there are other members who would like to say a word. I shall, therefore, conclude my remarks although I could speak for a much longer time.

(Translation):

Mr. Rodrigue Bourdages (Laval): Mr. Speaker, I am very happy to take part in the debate on this resolution. Unfortunately, my

remarks will be brief, as there are only two minutes left before six o'clock.

I listened with attention, a while ago, to my colleague from Dollard (Mr. Rouleau) who, even though the problem of water pollution does not arise in his constituency, was kind enough to say a few words on that subject.

The constituency I have the honour of representing is surrounded by the Thousand Island river, the Back river, the lake of Two Mountains and the St. Lawrence river. It has a population of over 200,000 people who, unfortunately, cannot use its waterways for recreational purposes, for fishing or swimming, etc., because of pollution.

Last year, the federal government amended the National Housing Act in order to allow Central Mortgage and Housing Corporation to assist municipalities in the development of sewage disposal plants.

At that time, in a speech I delivered on television, I was glad to speak only to the mayors of Laval constituency and I urged them to apply to central mortgage and housing to be able to build sewage disposal plants.

Fortunately, several towns and municipalities in my constituency took advantage of the provisions of this act and the town of Laval West is now carrying out a $3 million project. They obtained federal grants representing 25 per cent of construction costs, a loan for 75 per cent, to be paid back in 50 years at an interest rate of 5⅛ per cent. In addition, they received a grant representing 25 per cent of interest charges.

In the province of Quebec, Dr. Provost has always advocated water pollution control. His efforts have constantly been supported by the mayor of St. Rose, Mr. Payette, who worked 20 years for this cause.

In my opinion, all these projects can be carried out under the new act passed a few years ago by the present government.

Mr. Speaker, will you call it six o'clock.

(Text):

BUSINESS OF THE HOUSE

Mr. Chevrier: I wonder if I could inquire from whoever is leading the house at the moment, what the business will be for tomorrow? I am looking in the direction of the Minister of Forestry, and perhaps I should inquire from him what the business is likely to be for tomorrow and Friday as well?

Mr. Flemming (Royal): The house leader did leave me a note, the contents of which he asked me to communicate to the house. It is that the No. 1 item will be interim supply—

Mr. Chevrier: That is the first item?

Mr. Flemming (Royal): The first item, yes; No. 2 will be Bill No. C-38 and No. 3 will be supplementary estimates.

Mr. Chevrier: I asked about Friday as well. Do I take it it will be a continuation of this? What is the business for Friday?

Mr. Flemming (Royal): All I have is what I have given. I think this will be the order—

Mr. Chevrier: For tomorrow?

Mr. Flemming (Royal): Yes.

It being three minutes past six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, April 5, 1962

The house met at 2.30 p.m.

(Translation):

PRIVILEGE

MR. RACINE—INACCURACY OF ANSWER BY PUBLIC WORKS MINISTER

Mr. Jean-Paul Racine (Beauce): Mr. Speaker, I rise on a question of privilege concerning an answer given by the Minister of Public Works (Mr. Walker) in this house, as shown at page 1921 of *Hansard* for that day.

I have here documents which prove that the answer given concerning a parcel of land acquired for the construction of a post office in Beauceville does not agree with the facts.

I think there is here a prima facie privilege question affecting all members of the house, and I am prepared to introduce a motion to that effect.

On May 3, 1961, the parliamentary secretary to the Minister of Public Works answered that no decision had been reached to proceed with the construction of a public building in Beauceville and that no option had been taken by the Department of Public Works, as shown in the 1960-61 *Hansard*, at page 4280.

On May 24, 1961, Mrs. Lorenzo Mathieu (nee Anne Marie Caron) and Mrs. Clement Roy (nee Laurette Bisson) sold to Mr. Paul Giguere lot 145, section 14, in St. Francois de Beauceville, for the sum of $8,000, as attested by a deed signed before Mr. Jean Luc Quirion, notary public, on May 24, 1961, and registered in the district of Beauce, on July 21, 1961, under No. 190162.

On June 21, to a question asked while the house was discussing the estimates of the Department of Public Works, the minister replied that the department now had a site, and I am referring now to page 6841 of the 1960-61 *Hansard*.

It is quite reasonable to assume that the parcel of land acquired on May 24 by Mr. Paul Giguere is the same one that the Department of Public Works expected to acquire as indicated in the reply given on June 21.

On September 26, 1961, by deed signed before notary Marcel Gilbert, lot 145, section 14, was sold to the government by Mr. Paul Giguere for the price of $16,000, as can be seen in the deed mentioned and registered in the Beauce district on September 29, 1961 under No. 191091.

On March 19, 1962, in answer to a question, the Minister of Public Works—

Some hon. Members: Order.

(Text):

Mr. Speaker: Order. The hon. member raises a question of privilege which, as nearly as I can ascertain from the interpretation of his remarks, is that the minister in answering a question was not truthful. Is that correct?

Mr. Racine: The answer from the minister was not according to the facts. I am coming to the point, Mr. Speaker.

Mr. Speaker: The hon. member has gone on to demonstrate what he says. It is not necessary to demonstrate, by producing the evidence, the correctness of his allegation. If the hon. member raises as a matter of privilege and takes the responsibility for alleging that a member of the house in his capacity as minister has knowingly given the house wrong information, that would be a matter for consideration of the house, of course. In order to arrive at the substance of what the hon. member is putting forward I wish to make sure that is the position he takes, namely that there has been a deliberate misleading of the house by the minister in the statement which was made yesterday and of which he complains, and that he wishes to charge the minister with that falsehood in breach of the privileges of the house.

Mr. Racine: Mr. Speaker, I am coming to the point.

(Translation):

On March 19, 1962, in answer to a question, the Minister of Public Works stated that the department had acquired a parcel of land from Mr. Lorenzo Mathieu by a deed dated September 26, 1961 for the price of $16,000, as can be seen on page 1921 of *Hansard* for March 19, 1962.

Now, I have the evidence, from contracts filed with the registry office, that the person who sold that parcel of land to the Department of Public Works is—

(Text):

Mr. Speaker: Order. As I tried to indicate to the hon. member, it is not necessary for him to produce the evidence to prove his assertion. If he takes the responsibility of making the allegation which I have mentioned

and wishes to base a motion on it or to present a motion to the house, then I will consider the matter on that basis. However, the evidence he wishes to bring is something he would naturally bring after the motion had been accepted, and he would present it to the house or whatever tribunal the house decides should hear the matter. Perhaps the hon. member would state his question of privilege again and the motion he proposes to move, and not deal with the details of the evidence which he would produce.

(Translation):

Mr. Racine: Mr. Speaker, my motion is ready. It is pursuant to the reply given on March 19, 1962 by the minister. He said then that the person involved in the transaction with the Department of Public Works was Mr. Lorenzo Mathieu, when actually, according to the evidence I obtained from the registry office and which I have here, it is Mr. Paul Giguere.

Here is the motion I am introducing as a result of that transaction which enabled the last seller to make a profit of $8,000.

I move, seconded by the hon. member for Megantic (Mr. Roberge), that the matter concerning the purchase of a parcel of land for the construction of a public building in Beauceville, as well as the replies given by the Minister of Public Works or his parliamentary secretary in this respect and related documents, be submitted to the standing committee on public accounts.

Mr. Johnson: It might be advisable to obtain also information about the construction of buildings for the provincial police in Hull and look into that matter at the same time.

(Text):

Mr. Speaker: Order. The Minister of Public Works is not in the house. I think it would be desirable for me to review what has been said by the hon. member and deal with it tomorrow at the opening of the house rather than attempting to say anything further about it in the absence of the minister concerned. Therefore the matter will stand until the opening of the sitting tomorrow morning.

COMMITTEES OF THE HOUSE

Seventh report of standing committee on railways, canals and telegraph lines—Mr. Howe.

Third and fourth reports of standing committee on banking and commerce—Mr. Cathers.

Fourth report of standing committee on miscellaneous private bills—Mr. McCleave.

BUSINESS OF THE HOUSE

REQUEST THAT CERTAIN PRIVATE BILLS BE CONSIDERED LATER THIS DAY

Mr. R. D. C. Stewart (Charlotte): Mr. Speaker, I should like to ask the indulgence of the house for unanimous consent to propose a motion with respect to Bill No. S-17, standing in my name and reported back to the house today by the committee on railways, canals and telegraph lines.

Some hon. Members: Agreed.

Mr. Stewart: I move, seconded by the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp):

> That Bill S-17, an act respecting the Canadian Pacific Railway Company and certain wholly owned subsidiaries, reported today by the standing committee on railways, canals and telegraph lines without amendment, be placed forthwith on the order paper for consideration in the committee of the whole later this day.

Mr. Speaker: The hon. member's motion is in effect a request for unanimous consent of the house to have this private bill, which has now been reported upon, placed on the order paper for consideration later this day under private members' business under the heading "Private Bills". It would require the unanimous consent of the house to have that done. I shall be glad to ask the house—I should not say I am glad to ask but I shall ask—whether it has any objection to giving the hon. member for Charlotte the consent he requests.

Some hon. Members: Agreed.

Mr. Speaker: Then the bill will be listed for consideration at five o'clock under the heading "private members' business".

Mr. M. D. Morton (Davenport): Mr. Speaker, I wish to ask for similar consent with respect to Bill No. S-16, an act respecting the United Church of Canada, which stands in my name as sponsor.

Mr. Speaker: Has the hon. member leave to have his bill placed on the order paper for consideration today?

Some hon. Members: Agreed.

Mr. Murray Smith (Winnipeg North): Mr. Speaker, similarly I ask for unanimous consent to have placed on the order paper for consideration later today Bills Nos. S-9, S-10, S-14, S-15 and S-12, some of which stand in my name.

Mr. Martin (Timmins): Is it permissible, at this time, to have the house informed as to the reason for this hurry?

Mr. Speaker: I am sure it is not a debatable matter, unless it is a reason that is obvious to the house and of which the house approves. I would just ask whether or not the house agrees that these several bills, Bill No. S-9, to incorporate Brock Acceptance Company; Bill No. S-10, to incorporate Gerand Acceptance Company; Bill No. S-14, respecting Canada Security Assurance Company; Bill No. S-15, respecting the Canadian Indemnity Company and the Canadian Fire Insurance Company, and Bill No. S-12, respecting the Reliance

Insurance Company of Canada, be put on the orders for today. Apart from such consent, these bills would normally come before the house on Tuesday. Does the house agree?

Some hon. Members: No.

(Translation):

SHIPPING

ST. LAWRENCE RIVER—THREATENED STRIKE OF PILOTS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to put a question to the Minister of Transport. Did he receive notice from the St. Lawrence pilots to the effect that they would call a special general meeting at 12 o'clock tonight, unless the Minister of Transport finds an answer to the problems they brought before him last February?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, since the hon. member for Charlevoix had sent me notice of the same question, I prepared an answer that might seem somewhat detailed, but I feel that it covers the present situation.

As the house knows, the Minister of Transport has the authority over pilotage in the four pilotage districts: the first one goes from Les Escoumins to Quebec city; the second one, from Quebec city to Montreal; the third one is Montreal harbour itself; and the fourth one goes from Montreal to Cornwall. From Cornwall to Kingston, Canadian pilots come under the Canada-United States great lakes program but they are members of the St. Lawrence pilots' federation or union none the less. A telegram I received late yesterday afternoon informed me that the pilots intend to walk off their jobs this evening probably in order to get certain financial and other advantages.

The dispute concerns the following points: the pilots of those districts work approximately nine months a year. The income from pilotage dues are divided equally among the pilots. Last year, the individual gross income of the pilots in the Les Escoumins-Quebec city district was a little over $16,300. After deduction of a rather large amount for expenses, their net income amounted to $14,700. That result is arrived at by dividing the total income by the number of pilots, after having made the proper deduction in that number to take into account absenteeism or sick leave for a period of more than ten working days. The working day over that period is established on the basis of the total number of days in the shipping season divided by the total number of pilotage hours during the season. It comes out to 4.7 hours per day.

In the Quebec-Montreal district, the gross income is slightly over $14,200 and the net income, after proper deduction for expenses, is just over $12,600 per pilot, for an average working day of 4.9 hours.

In the Montreal harbour district, the gross individual income is just over $12,200 and the net individual income amounts to just over $11,000 for an average working day of 3.1 hours.

In the Cornwall district, the gross individual income is a little over $13,000 and the net income is slightly over $12,300, the average working day being 5.3 hours.

The pilots in the Cornwall-Kingston district of the St. Lawrence river, while they are members of the same federation, come under the Canada-United States great lakes agreement. Any tariff agreement in that district is subject to the joint agreement signed with the United States. The gross income of the pilots in that group, during the last year, amounted to $15,900 and the net income to $14,900, after deducting expenses.

The principal requests made by the pilots for the present season are as follows:

With regard to the Cornwall district, an increase in full trip fees charged to the vessels, which would mean an increase of approximately 20 per cent in the pilots' income. At the Montreal harbour, an increase in fees or a transfer of certain duties from the river pilots to the harbour pilots, which would increase their income from 6 to 10 per cent. For the river group at Montreal, an increase in the number of pilots as well as a 15 per cent increase in income, which would make it necessary to increase the tariff by approximately 18 per cent. The Quebec district has not formulated any important request with regard to the tariff structure; its petition deals with questions of secondary importance.

The pilots have also indicated that they disagree on the method adopted by the department to establish the average gross revenue with regard to the number of pilots actually employed during a year, in order to calculate the average income, and they asked the department to set the average according to a method which, when the calculation is made, will show that the pilots' yearly income is lower than the above-mentioned figures.

Inquiries of the Ministry

In fact, the pilots are in a special position and their income is derived from the shipowners who, in most cases, are obliged to pay pilotage fees whether they use a pilot or not. The shipowners most interested in the matter, that is the Shipping Federation of Canada, the Dominion Marine Association and the Canadian Shipowners Association, have strongly intimated that, in their opinion, increases in pilotage fees are not justified this year.

The Shipping Federation, the main user, indicated its willingness to study with the pilots, starting with the Montreal harbour group, a new approach to the yearly problem of the pilots' income. Therefore, I wrote today to the pilots and the shipowners to propose in that respect direct talks between the two sides with a view to ascertaining whether an agreement and a new solution to the problem can be reached.

Some other less important questions are still under study by my department and we expect to submit other proposals in due course. Thus we had already agreed—and had so informed the pilots—to license a small number of new pilots in the river district at Montreal.

I want to point out further that the river about Montreal is not yet open to navigation, so soon after winter, and that the movement of ships below Montreal is still light.

Mr. Chevrier: Mr. Speaker, I would like to ask a supplementary question.

Inasmuch as the pilots and the shipowners could not arrive at an agreement, does the minister intend to take whatever steps are necessary to meet the pilots and discuss with them the problems he just mentioned?

Mr. Balcer: Mr. Speaker, I asked the pilots and shipowners to meet again in a new effort to come to an agreement. I am awaiting a reply to my request.

Mr. Chevrier: There is not much time left.

(Text):

[*Later:*]

Mr. W. H. McMillan (Welland): As a supplementary question to the Minister of Transport, has the minister anything to report on the pilotage district from Port Weller to Sarnia?

Mr. Balcer: No, Mr. Speaker. This pilotage district is not concerned in the stoppage of work that was announced last night.

[Mr. Balcer.]

(Translation):

SPORTS

BOXING—AMENDMENT OF LAW TO PROHIBIT PRIZE FIGHTS

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): I should like to put a question to the Minister of Justice. Could the minister inform the house whether he intends to amend the Criminal Code in order to allow any province, if it so desires, to prohibit boxing contests.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, by clause 81 the Criminal Code stipulates that everyone who engages in a prize fight or promotes it, is guilty of an offence. However, anyone who abides by the requirements established by law or engages in a boxing contest held under the authority of an athletic commission established by the legislature of a province, is not deemed to engage in a prize fight.

(Text):

TELEVISION

STRANRAER, SASK.—GRANTING OF LICENCE FOR SATELLITE STATION

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): I should like to direct a question to the Minister of Transport. It arises out of the answer the minister gave yesterday to the hon. member for Kindersley in regard to the satellite of station CFQC-TV in Saskatoon. The minister said in part yesterday that he had asked the law officers of the department to peruse the reasons for judgment as soon as possible so that a licence might be granted without delay. I am informed today that this satellite in question went on the air yesterday afternoon at 4.30. My question to the minister is, has he granted a licence to this station and, if so, at what time?

Hon. Leon Balcer (Minister of Transport): The information I received from the law officers of the department was that an appeal in this case could only be made by leave, so that gives us the power to act at the present time according to the judgment rendered by the court.

Mr. McIntosh: I am sure the minister is aware that there is some reason for dispute between these two applicants. Knowing that the original decision handed down by the chief justice of Ontario was in favour of the Swift Current application and that the recent decision of the appeal court was in favour of Saskatoon, why did he not let the case go to the Supreme Court of Canada as I suggested yesterday?

Mr. Speaker: Order. The hon. member seems to be interested in debating an issue rather than getting information, but I think I should give the minister a chance to reply.

Mr. McIntosh: I should also like to ask the minister a further question.

Mr. Speaker: Order. One question has already—

Mr. McIntosh: Does he not feel this is a matter which is covered by the Canadian Bill of Rights?

Mr. Balcer: Any person or corporation which may feel its interests have been harmed by this judgment can always appeal; there is recourse to the courts.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask the minister a factual question? Can the hon. gentleman say whether a licence was granted and, if so, at what time?

Mr. Balcer: I do not remember the date, but yesterday I was informed by my legal officers that there was a possibility of providing the people in the area with television reception. Everyone in that area was anxious to be able to look at television, and that is why I asked my legal officers if it was possible to give the permit at that time.

Mr. Pickersgill: Can I ask the minister if he would ascertain the date on which the licence was granted and give it to the house tomorrow?

Some hon. Members: Order paper.

Mr. Balcer: I shall be pleased to do that.

[*Later:*]

Mr. McIntosh: Mr. Speaker, I should like to direct a question to the Minister of Transport arising out of the answer he gave yesterday to the hon. member for Bonavista-Twillingate, when the minister said:

> Mr. Speaker, I am really in favour of the public in the area receiving good television reception.

I wonder whether the minister would clarify what he meant when he referred to the area receiving good reception. Did he imply that if Swift Current had received the licence they would not have received good reception?

Mr. Balcer: Mr. Speaker, I wish to clear up any misunderstanding with respect to this matter. I did not wish to say anything against anybody when I made my statement.

Some hon. Members: Oh, oh.

Mr. Balcer: All I wish to do is point out that my friend the hon. member for Bonavista-Twillingate preferred to play politics rather than to assure good television reception to the people of Canada.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I am sure the minister did not mean—

Some hon. Members: Order.

Mr. Pickersgill: Mr. Speaker, I am raising a question of privilege. I am sure the minister did not mean to imply what he said. He suggested that an hon. member—

Mr. Pigeon: That is not a question of privilege.

Mr. Speaker: Order. Perhaps the hon. member would indicate why he rises—

Mr. Pickersgill: Well, Mr. Speaker—

Mr. Speaker: Order; I have not concluded. The hon. member has not advised me that he is rising on a question of privilege.

Mr. Chevrier: Yes, he did.

Mr. Speaker: If this arises out of the answer, I shall be glad to hear whether, in the hon. member's view there is a question of privilege.

Mr. Pickersgill: Well, the enthusiasm with which my rising was greeted evidently prevented Your Honour from hearing how I began, and perhaps if hon. gentlemen opposite could keep silent I might make my feeble voice heard.

Mr. Campbell (Stormont): Feeble mind.

Mr. Speaker: I agree that I have been receiving rather more assistance on the part of hon. members of the house than I require.

Mr. Pickersgill: My question of privilege, Mr. Speaker, is that the Minister of Transport in answering another hon. member made an insinuation about my motives in asking a question yesterday, an insinuation that is in no way warranted by the facts. I asked a question about a subject in which it is well known I have taken a real interest ever since the matter first came up, and I resent the imputation and hope the minister will withdraw it.

Mr. Speaker: Order. I think perhaps the reference by the minister was offensive but I do not think the hon. member for Bonavista-Twillingate needs to be unduly susceptible to a minor offence of that kind having regard to some other things which have been said currently.

Mr. Pickersgill: Mr. Speaker, I am grateful to Your Honour for rebuking the minister.

Inquiries of the Ministry

SHIPPING

INVITATION TO RUSSIAN SCIENTISTS TO CO-OPERATE IN ICE STUDIES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): It is not my intention to make a speech but to abide by the rules and direct a question to the Acting Prime Minister. In view of a Canadian Press report that a proposal was made yesterday at the meeting of the Canadian committee on oceanography in Ottawa that Russian scientists be invited to observe how Canada copes with winter ice navigation to and from ports along the gulf of St. Lawrence, would the Acting Prime Minister inform the house whether consideration will be given to issuing such an invitation with a view to breaking the ice and extending peaceful contacts with the Russian people?

Hon. Howard C. Green (Acting Prime Minister): I had noticed that report myself, and we are looking into the situation.

HOUSING

N.H.A.—REQUEST FOR FINANCING OF EXISTING HOMES

On the orders of the day:

Mr. J. R. Garland (Nipissing): I wish to direct a question to the Minister of Public Works or, in his absence, to the acting minister who is also Acting Prime Minister. It is based on a story in today's *Globe and Mail,* a statement by the former head of Central Mortgage and Housing Corporation, Mr. David Mansur, predicting that 10 per cent fewer homes would be started in 1962 than in 1961. He goes on to say, as reported: "I have never seen so much mortgage money pressing—

Mr. Speaker: Order. It seems to me the hon. member is attempting to give information. If he has a question to ask, I suggest he put his question.

Mr. Garland: With due respect, my question is based on the one statement, one sentence by Mr. Mansur:

> I've never seen so much mortgage money pressing so few mortgages in my life.

Will the government reconsider its position, in these circumstances, with regard to extending N.H.A. financing to include existing houses?

Hon. Howard C. Green (Acting Prime Minister): This is really an attempt to get a statement of government policy on orders of the day. The hon. member well knows that any such statement would be made in the house in due course.

[Mr. Pickersgill.]

Mr. Garland: The minister realizes in view of the mounting evidence—

Some hon. Members: Order.

Mr. Speaker: Is the hon. member rising to ask a supplementary question or to complain about the answer? If it is the latter he is out of order. If there is a supplementary question I will permit it, but it seems to me it would be difficult to ask a supplementary question when the hon. member has had a refusal of an answer to his question on the ground that it involves a matter of policy to be stated in due course.

Mr. Garland: In view of the urgency of this question since we are rapidly approaching the building season, the minister surely realizes that the chief road block—

Mr. Speaker: Order. I think the hon. member will be able to find an opportunity to debate the problems of house construction. This is not the time of day when we enter into debate on these matters. If the hon. member has points to raise he will have to raise them at another time.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Minister of Finance whether the budget will be brought down next week.

Mr. Churchill: Will you be here next week? You are away so much.

Hon. Donald M. Fleming (Minister of Finance): I think the Leader of the Opposition will not have more than eight days to wait for a complete answer.

FISHERIES

SEALING—ACTION TO PROTECT CANADIAN HUNTERS ON EAST COAST

On the orders of the day:

Mr. J. R. Keays (Iles-de-la-Madeleine): I have a question for the Minister of Fisheries. Many of my constituents are affected by the pirates, pillagers and freebooters operating around the sealing industry on the east coast. Can the minister tell this house of any action being taken to protect these sealers and their property?

Hon. J. A. MacLean (Minister of Fisheries): I am aware, as is my department, of activities which are alleged to be taking place in the gulf of St. Lawrence concerning at least two sealing operators, perhaps more, but I must say that none of these alleged activities fall

under the jurisdiction of my department, nor are they in contravention of any acts of parliament which are administered by my department as far as I am aware. The complaints have been referred to the mounted police, and I think the police have investigated the situation.

Mr. Keays: May I direct a supplementary question to the Minister of Justice? Would the Minister of Justice undertake to look into this case immediately, before the sealing season is over?

Hon. E. D. Fulton (Minister of Justice): I am not sure this matter comes under the jurisdiction of the Minister of Justice, but I shall be glad to look into it and see if there is any way in which I can be of assistance.

FINANCE

REQUEST BY CANADIAN PEACE INSTITUTE FOR FEDERAL GRANT

On the orders of the day:

Mr. E. A. Winkler (Grey-Bruce): I should like to direct a question to the Minister of Finance. Has a request been made to the government by the Canadian peace research institute to contribute funds to its present public campaign?

Hon. Donald M. Fleming (Minister of Finance): Not that I am aware of.

LABOUR CONDITIONS

WINDSOR, ONT.—INQUIRY AS TO STRIKE AT SUPPER CLUB

On the orders of the day:

Hon. Paul Hellyer (Trinity): I wish to direct a question to the Minister of Labour. Can the minister advise the house whether or not an application of the principles contained in the bill of rights is involved in the strike at the Commodore supper club in Windsor?

Hon. Michael Starr (Minister of Labour): I was not aware that such a strike was in effect. If it is it must be under provincial rather than federal jurisdiction, because it has not been brought to my attention at all.

Mr. Hellyer: In that case, does the minister not favour a constitutional amendment which would permit the enactment of a meaningful bill of rights.

Mr. Speaker: Order. I think the hon. member will find other opportunities to inquire about the government's policy with regard to amending the constitution.

RAILWAY ENGINEERS—INQUIRY AS TO COST OF STRIKE SETTLEMENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Labour. Is the minister yet in a position to indicate to the house the estimated cost of the settlement between the railways and the engineers?

Hon. Michael Starr (Minister of Labour): Yes, Mr. Speaker. I attempted to get to my feet two or three times but because of the circus performances of the hon. member for Bonavista-Twillingate I was unable to do so.

Some hon. Members: Order.

Mr. Starr: The hon. member for Laurier asked me last week whether I could ascertain what the cost would be for the railways in the settlement with the locomotive engineers. I have been advised that the estimated cost to all the railways in the recent settlement affecting locomotive engineers for the full three year term of the contract amounts to a total of $4,451,000.

The cost to the Canadian National Railways is $2,785,000 for the three years, and this cost includes a wage increase of 6½ per cent staggered over the life of the contract, improved vacation plan, a lump sum payment for loss of arbitraries, and an increase in basic rates for western passenger engineers to compensate for loss of arbitraries.

EXTERNAL AFFAIRS

INQUIRY AS TO EXTENSION OF TERRITORIAL WATERS

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Has the minister any announcement to make to the house with regard to extending the present fishing limits from the three mile limit to a twelve mile limit in order to protect our Canadian fishermen and fisheries?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, this is a highly complicated and difficult question. When there is an announcement to make it will be made in the house in the ordinary way.

Hon. J. W. Pickersgill (Bonavista-Twillingate): A supplementary question, Mr. Speaker. Could the minister say whether there are any active negotiations going on at the present time with any other country on this subject?

Mr. Green: Yes, Mr. Speaker.

Mr. Pickersgill: Could the minister say when he hopes those negotiations will be completed?

Mr. Green: As soon as possible.

DEFENCE PRODUCTION

CL-41—COMMENCEMENT OF PRODUCTION BY CANADAIR

On the orders of the day:

Mr. Walter Pitman (Peterborough): Mr. Speaker, I wish to direct a question to the Minister of Defence Production. Could the minister indicate to the house whether any final decision has yet been made with regard to the CL-41 so that the workers may have some confidence that production will begin at the Canadair plant?

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, I have nothing further to announce in addition to what I announced the other day.

Hon. Paul Hellyer (Trinity): A supplementary question, Mr. Speaker. Can the minister assure the house that if this work is commenced he will also find some employment for the unemployed workers of the Avro plant in Toronto?

Mr. Grafftey: One violation of the rules after another.

[*Later:*]

Mr. John Pallett (Peel): Mr. Speaker, I rise on a question of privilege arising out of a question asked by the hon. member for Trinity of the Minister of Defence Production which implied unemployment in my riding. I refer to the Brampton *Times and Conservator* of March 29, 1962 the headline of which shows that in my area, which is Peel county, Peel's economy is booming.

Mr. Hellyer: I rise on a point of order.

Some hon. Members: Oh, oh.

Mr. Ricard: The hon. member does not like to hear good things.

Mr. Speaker: I do not know whether the hon. member wishes seriously to raise a question of privilege or whether, if so, there is a point of order. If both hon. members are content to stay seated, I am content.

Mr. Hellyer: The whole point of order is that there is no question of privilege involved. The hon. member has no question of privilege.

Some hon. Members: Oh, oh.

Mr. Pallett: Mr. Speaker, it further says that rising employment has been one of the brightest facets in our economic picture.

[Mr. Green.]

Mr. Speaker: Order. Is the hon. member raising a question of privilege?

Mr. Pickersgill: He is just taking up the time of the house.

Mr. Pallett: It was just on what the hon. member said.

Mr. O'Hurley: As the minister concerned, and as you, Mr. Speaker, ruled out of order the question of the hon. member for Trinity and as it was asked of me, the Minister of Defence Production, I just wish to reply politely to the hon. member for Trinity and say this. I do not think any member from the Toronto area can complain about contracts given in the Toronto area by the Department of Defence Production.

Mr. Hellyer: A rather sorry record.

FLOODS

MARITIME PROVINCES—REQUEST FOR STATEMENT ON DAMAGE

On the orders of the day:

Mr. W. L. M. Creaghan (Westmorland): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Could he bring the house up to date on the extent of the damage caused by floods in the provinces of New Brunswick and Nova Scotia?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I have been in receipt of reports each day on what has been going on down in those areas where the maritime marshland rehabilitation personnel are at work. As I understand it, all the highways are open except one bloc in an area not too far from Sackville that would be well known to the hon. member. I also understand the waters are receding very quickly and that there is a general feeling in the area that the floods are now over and things should soon be back to normal. I might say this is a perfect example of co-operation between local authorities in the area, both in New Brunswick and Nova Scotia, and the M.M.R.A. personnel which has made it possible to survive the flood without worse damage than was sustained.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, a supplementary answer. I should like to expand the answer I gave yesterday in response to a question asked by my friend the hon. member for Westmorland. I am happy to say that the Canadian National Railways have advised me that normal through passenger service is expected to be resumed this afternoon.

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM—INQUIRY AS TO REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Justice. Has the Minister of Justice received any letters, telegrams or other forms of communication from the attorney general of British Columbia suggesting some form of co-operation between the federal and provincial governments to deal with the unfortunate situation that has existed in the Kootenays over a period of time?

Hon. E. D. Fulton (Minister of Justice): No, Mr. Speaker, not that I recall up to this morning, at any rate. I believe I advised the house some time ago that I had a meeting with the attorney general at which we had informal discussions of the whole problem, but I received no formal proposal that I recall and I do not think any have been made since, other than those that have been reported to the house. My hon. friend will appreciate that the situation in the Kootenays has greatly improved just recently as a result, in large part, of the very successful police operations there.

NATIONAL DEFENCE

NATO—INQUIRY AS TO REQUEST FOR INCREASED FORCES

On the orders of the day:

Mr. John R. Matheson (Leeds): Mr. Speaker, I wish to direct a question to the Minister of National Defence arising out of a plea by Mr. George Ball, United States under secretary of state at Bonn which has been reported in the London *Times* of April 3, 1962 wherein Mr. Ball spoke—and I quote from the article—

—of the "urgent need to give a new priority to the conventional elements in our common defence". NATO needed—

—he is reported as saying:

—"a wide spectrum of capabilities" if it was to respond to varying types of attack with appropriate forces.

My question is this. Has Canada been requested by the NATO command to increase its conventional forces?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I believe it is well known to everyone in the house that Canada is one country that has met its NATO commitments and in fact in many ways has exceeded them. We have increased our conventional forces in Europe as well as those at home, starting last autumn.

POWER

COLUMBIA RIVER—INQUIRY AS TO FURTHER COMMUNICATION FROM B.C. PREMIER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Finance. I apologize for not giving him notice. My question is based on a limited exercise of guided mental telepathy. Has the minister received any communication or suggestion with respect to the development of the Columbia river from the premier of British Columbia since he held his last conversations with him in Vancouver?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I do not recall any direct communication in this period, but I should assure the hon. member that in our last conversation it was contemplated that further communications would be exchanged between us. He should not be surprised if such communications occur.

PUBLIC SERVICE

NORTHWEST TERRITORIES—ALLEGED POLITICAL ACTIVITY OF PUBLIC SERVANTS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of Northern Affairs and National Resources whether his attention has been drawn to an editorial in the *News of the North* of Thursday, March 15 of this year, entitled "Is this the way to campaign"? If his attention has been called to it, can he say anything about the allegations in that editorial of political partisan activity on the part of certain public servants in the Northwest Territories? If his attention has not been called to it, will the minister look into the matter and report to the house tomorrow? I shall be glad to send him over the paper.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, this matter has not been drawn to my attention. I shall be glad to look into the matter as indicated and bring in a report.

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

INTERIM SUPPLY

Mr. Fleming (Eglinton): moved:

Resolved, that a sum not exceeding $674,658,525.84, being the aggregate of—

(a) one sixth of the total of the amounts of the items set forth in the main estimates for the fiscal year ending March 31, 1963, laid before the House of Commons at the present session of parliament, $666,562,659.16;

(b) one third of the amounts of atomic energy item 5, mines and technical surveys item 125 and privy council item 25 of the said estimates, $614,700.00;

(c) one sixth of the amounts of legislation items 40 and 45, northern affairs and national resources item 125 and public works item 190 of the said estimates, $1,302,483.34;

(d) one twelfth of the amounts of national research council item 1, national revenue item 25 and trade and commerce item 20 of the said estimates, $6,178,683.34,

be granted to Her Majesty on account of the fiscal year ending March 31, 1963.

The Deputy Chairman: Shall the resolution carry?

Some hon. Members: Carried.

The Deputy Chairman: Shall I report the resolution?

Mr. Regier: Mr. Chairman, I am obliged at this time to register a protest. I have no intentions of opposing the proposal now before us. However, I believe it is timely that we recall to our minds the very origin of parliament itself, something which goes back approximately 1,000 years in the history of our democratic civilization. I believe that political democracy as we know it is being whittled away by the procedure of which this House of Commons is now being asked to approve.

I agree that incidents of this kind have happened in the past. However, the mere fact that I committed a sin some 20 years ago does not give me any licence to commit a similar sin at this time. It has always been the right of parliament to withhold funds that have been requested until parliament has been satisfied not only as to the proposed expenditure of the funds but also as to the method by which the government expects to collect the funds.

This government is asking for interim supply prior to the introduction of a budget. I feel that this is a violation of our tradition, even though I am willing to admit that such violations have happened in the past. The latest research information that I have been able to obtain is to the effect that it happened last in the year 1946.

I know that the government is able to carry on at any time under warrants issued by the governor in council. I regret very much that I did not adequately voice my opinion the last time the Financial Administration Act was amended. I believe this parliament committed a basic error at the time the last amendment was made to that Act. The government now asks for interim supply, but we members of parliament have no knowledge of how the revenues are to be collected. I feel that the introduction of a budget is basic and ought to precede any request for interim supply. We have the age old cry, "No taxation without representation". We are now asked in effect to vote money that really does not exist as parliament has not yet been asked to vote the method of collecting revenues for the current fiscal year.

I feel it is a gross breach of parliamentary tradition for us to be asked to agree to vote interim supply before we have been told how the government proposes to collect the money. I know the government can well raise the argument that there are existing taxation laws but in my opinion this is an argument that does not hold water. If it is valid for parliament to be asked annually for the approval of expenditures, it is equally valid for parliament to have the right to ask the government annually as to the manner in which it proposes to collect the revenue. I believe it has almost always been the case in Canadian parliamentary history that the government of the day has informed parliament as to how it intended to collect the revenue before asking for approval of methods of distributing that revenue. Interim supply may have been granted before the introduction of a budget, but that is no excuse for continuing this evil. We have voted interim supply after the adoption of a budget, but this is an entirely different matter. After the government has announced its intentions with respect to how it proposes to collect the money it is completely legitimate, in my opinion, for that government to ask for interim supply, but in this particular case the government has not brought forward a budget. It has not even made any announcement that we will have a budget before an election is called. We have yet to receive an assurance from the minister or the government that there is going to be a budget. Anybody can make promises, Mr. Chairman. It is very easy to make promises in an irresponsible manner. I am beginning to doubt whether there is any intention on the part of the government to introduce a budget before there is an appeal to the people.

I never expected to see happen what took place in 1958, when the government for pure political expediency resorted in an unprecedented way to the abuse of governor general's warrants in order to carry on the business of the country. We now have to face the situation that the government is asking for interim supply before giving the house any indication of how it intends to collect the necessary revenue. In my view this is unethical and unworthy of our traditions.

However, as I indicated when I began my remarks, this is a bread and butter issue. The pay cheques of thousands of people depend

upon the granting of interim supply, and I do not find it in my heart to vote against the interim supply now requested by the government.

Motion agreed to.

Resolution reported and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee of ways and means.

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

Mr. Fleming (Eglinton) moved:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31st, 1963, the sum of $674,658,525.84 be granted out of the consolidated revenue fund of Canada, as set forth in the resolution concurred in this day in the committee of supply.

Motion agreed to.

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill No. C-85, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1963.

Motion agreed to, bill read the first and second times and the house went into committee thereon, Mr. Chown in the chair.

On clause 1.

Mr. Pickersgill: Mr. Chairman, before clause 1 carries can the minister give us the assurance that the bill is in precisely the same form as the resolution so far as sums of money and details are concerned?

Mr. Fleming (Eglinton): Yes, Mr. Chairman. In the copy I have there was a correction of one figure in the last line on the first page. There were two figures that were reversed, "65" in place of "56". That has been corrected on the copy in the hands of the chairman.

Mr. Pickersgill: Can the minister also give us the customary assurance that the voting of this money will in no way diminish the rights of the committee of supply to discuss all these items, and that we will have an opportunity of exercising those rights in this session?

Mr. Fleming (Eglinton): Well, I suppose that depends on whom the hon. member means by "we". The passing of this bill will not prejudice the rights and privileges of members to criticize any item in the estimates when it comes up for consideration in committee of supply, and the usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this measure.

Mr. Regier: I wonder whether I may ask the minister when he expects to tell us how he intends to raise the money necessary to pay for these items?

Mr. Fleming (Eglinton): In due course, and in the approved constitutional manner, Mr. Chairman.

Clauses 1 to 5 inclusive agreed to.

Schedule A agreed to.

Schedule B agreed to.

Schedule C agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Chown): When shall this bill be read a third time; now?

Mr. Pickersgill: By leave.

Mr. Fleming (Eglinton) moved the third reading of the bill.

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

CORPORATIONS AND LABOUR UNIONS

PROVISION FOR FURNISHING OF FINANCIAL AND OTHER STATISTICS

The house resumed, from Wednesday, April 4, consideration in committee of Bill No. C-38, to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada—Mr. Fulton—Mr. Chown in the chair.

On clause 3—*Application of part I.*

Mr. Howard: Before clause 3 carries I have a comment to make. This relates to a question I asked the minister yesterday about the compilation of figures by the dominion bureau of statistics. The minister replied as follows, as reported in *Hansard* at page 2501:

—I can refer the committee to the recent report on the Canadian balance of international payments in 1960 and the international investment position, page 62, where the bureau itself has fully set out a summary of the methods it follows in compiling these statistics and makes an assessment of their accuracy and reliability.

I obtained a copy of the particular document to which the minister referred, dominion bureau of statistics publication catalogue No. 67-201, and looked at page 62. I read the information given by the dominion

bureau of statistics to indicate how they arrived at these particular figures, and I found this very interesting and enlightening statement:

Briefly, while the principal source of the bureau's estimates of the foreign investment position is the capital structure reflected on consolidated balance sheets of enterprises classified according to the principal activity pursued, the source utilized most extensively for estimating the comparable aggregate capital value of selected Canadian industries is the summation of unconsolidated balance sheets of fully tabulated companies found in taxation statistics, as compiled by the Department of National Revenue, classified according to activity of the individual company.

The dominion bureau of statistics, therefore say they compile their statistics in this booklet to which we have referred about foreign control and foreign investment from the statistics published by the taxation division of the Department of National Revenue. I assume that General Motors, to which the minister referred yesterday, is a private corporation and pays income taxes, although it may not pay as much as it should. Canadian General Electric was another company to which the minister referred.

Mr. Fulton: Canadian General Electric is a public company. I did refer to it, but it is a public company.

Mr. Howard: In any event the minister did refer to General Motors, and so did other hon. gentlemen, as being a private company. I assume that General Motors and other private companies in Canada file information with the Department of National Revenue as required by the Income Tax Act. This information, then, is used by the dominion bureau of statistics after it has been processed by the Department of National Revenue, and the bureau of statistics compile the statistics which they give us in this particular document.

May I make another reference to something in these statistics at page 58 of the same publication to which I referred, the Canadian balance of international payments in 1960 and international investment position. This is under the section dealing with foreign ownership and control of Canadian industries, in the right hand column, and reads as follows:

Perhaps the most striking feature of these series, viewed in the perspective of a third of a century,—

Remember, this is over a third of a century, 30 to 34 years, about which they are talking now.

—viewed in the perspective of a third of a century, embracing depression and boom, war and peace, is the consistency of the direction of the changes. Foreign ownership of Canadian manufacturing has inched up from 38 per cent in 1926 to 51 per cent in 1959,—

[Mr. Howard.]

I do not know that "inched up" is the appropriate term; perhaps "leaped up" would be more correct.

—and control has gone from 35 per cent to 57 per cent. Foreign ownership of mining and smelting has also reflected an almost uninterrupted growth from 37 per cent in 1926 to 59 per cent in 1959, and control has risen from 38 per cent to 61 per cent.

This document then deals with other sections of industry in the same way, using statistics which have already been placed on the record. The point is that so far as the bureau of statistics are concerned, they have been compiling this information since 1926 and are still compiling it. They are compiling it from the Department of National Revenue statistics, and as I said I assume that all companies, private and public, make returns as required by the Income Tax Act.

What has the government done about this information which it already has, and has had for the past five years? What has it done about the growth from 57 per cent to 59 per cent, an increase of two percentage points, in the foreign control of Canadian industries? Since this government took office in 1957 it has talked about the development of national unity, about our national heritage being repatriated, about developing Canadian ownership, Canadian control, Canadian distribution, and so on.

All it has done in that five year period has been to draft Bill No. C-70 last year and Bill No. C-38 this year, place them before parliament and say "Now we want to compile another bunch of statistics; the ones we have are no good." This will mean that in future years the dominion bureau of statistics will be able to bring out another publication and the government will then be in the position of again doing nothing about them. A bill of this nature is just a sham and a farce in relation to what we already know, and taking into account what could have been done about these matters.

On page 60 of its publication the dominion bureau of statistics points out that the rubber industry was 98 per cent foreign controlled in 1959, an increase in such control over the last two years. It also points out that the automobile and parts industry was 97 per cent foreign controlled, an increase of 2 per cent over 1957. It also states that the electrical apparatus section of manufacturing is 81 per cent under foreign control, an increase of 4 per cent over the last two years. The chemicals industry is 77 per cent foreign controlled, and other manufacturing is 61 per cent foreign controlled. It is the same all the way down the line, with the agricultural machinery industry being 55 per cent foreign controlled as compared with 38 per cent just two years ago.

This is information which the government already has at its fingertips. It is information compiled by the very same people whom the government will be asking to compile the same statistics under the provisions of Bill No. C-38. If it is not duplication, then what additional information does the government want? It seems to me that the government is speaking with its tongue in its cheek and is not being fully truthful and honest with parliament and the public about its desire to develop a national identity, national understanding and control of our industries.

The government has had these statistics ever since it came into office. These statistics have been compiled and built up since 1926, but now the government wants to superimpose another set of statistics on what it already has in order to get information relating to corporations and the degree of foreign control exercised over them. Detailed information in regard to the extent of foreign control and domination over unions would perhaps be of some interest to somebody, but if that is what the government wants, then why does it not bring in a separate piece of legislation stipulating that unions have to report that information?

I make that suggestion, but at the same time I contend that a separate bill is not necessary, as the information is already accessible. The minister knows that the constitutions of unions have to be filed with the Department of Labour. At least that is the case in British Columbia, where unions are required to do so under the provisions of the labour relations act before they can gain any benefit—if one could call it that—from the labour code in British Columbia.

I have not carefully examined the Industrial Relations and Disputes Investigation Act, but it seems to me that, if not under that act then under some other statute, every union must file its constitution and every collective agreement between union and management with the Department of Labour. I was told so by Professor Fred Carrothers of the University of British Columbia, who has done extensive work in the field of arbitration in labour disputes and the use of injunctions in those disputes. I take his word for it because, as I say, he has done research into this matter.

If the government wants specific information about unions it should bring in a separate bill dealing with them, but it is a well known fact that every union in Canada has a set of letters attached after its name which invariably give an indication of other groups to which each individual union is affiliated. Indeed the union to which I belong, the international woodworkers union has attached to its name "(A.F.I.-C.I.O.-C.L.C.)," which means it is an international union affiliated to the A.F.L. and the C.I.O. in the United States and is also affiliated to the C.L.C. here in Canada. The international mine and smelter workers union has attached to its name "(Ind.)" indicating that the Canadian section is not under international domination. If that information were not enough, anything else required could be very easily found out.

It becomes more and more clear from the—I shall not call them evasive—answers given by the minister that he is not telling us the true story, but by questioning him the true story is gradually emerging. We now know that the dominion bureau of statistics already has this information and publishes a document about it. The department has also got information from the Department of National Revenue, so that should be proof positive that when the government says it wants to know more about the Canadian economy, it is not telling the truth to the Canadian people.

The government is not interested in knowing more about the Canadian economy. It is only interested in the period ahead of us when perhaps we shall have an election or perhaps we shall not. It is only interested in the period when we might have an election so that it will be able to engage in the same sort of political dishonesty in which the Prime Minister and his colleagues engaged in 1958, following their short term in office, and prior to that in 1957. I think it is absolutely disgraceful.

Mr. Pallett: Is the hon. member engaging in the same technique, the same type of personal attack upon the Prime Minister that the Liberal party has seen fit to commence?

Mr. Chevrier: You are an authority on that.

Mr. Howard: My friend should not tempt me to express my personal views about the Prime Minister and other members of the government.

Mr. Fulton: I am afraid that the only thing which has been a sham and a farce about this whole question has been the kind of speech which the hon. member for Skeena has just made, the same kind of speech he made yesterday and the day before. It is a sham and a farce because it is a complete misrepresentation and distortion of what this bill will accomplish. It is a complete misinterpretation and distortion of the picture with regard to the availability of statistics, and it is a misrepresentation of the objectives that this bill seeks to accomplish.

My hon. friend seems to think he has had a great secret delivered into his hands, with which he is now going to embarrass the government, because yesterday I gave him a page reference in the dominion bureau of statistics publication. He finds there that

the dominion bureau of statistics relies for its information as to statistics of the balance of international payments and the international investment position, on the publication by the Department of National Revenue entitled "Taxation Statistics", in which is reflected a summation of unconsolidated balance sheets of fully tabulated companies.

The only hon. member who has just discovered that the information the dominion bureau of statistics was quoting comes from "Taxation Statistics" is the hon. member for Skeena. Everybody in the house has known for a good many years that the Department of National Revenue makes this information public, and has known that the dominion bureau of statistics has relied upon it for many years.

What the hon. member has sought to do is mislead this committee, and all those who may have the misfortune to read his speech, into believing that because the Department of National Revenue publishes a green book called "Taxation Statistics" somehow or other the dominion bureau of statistics has access to the details that are contained in income tax returns, and that the information in individual returns with respect to corporate activities, methods and payments are available to the bureau and the government at large.

It may be, indeed it is my hope, that the hon. gentleman is himself under that illusion, but I doubt it. The serious issue I take with him is, that unless he is under that illusion, he would have willingly misled the committee had his speech been allowed to stand unchallenged.

The dominion bureau of statistics does not see any individual income tax return. It does not know how General Motors of Canada, to name one company which has been named, carries on its operations. Nor does any member of the government possess any information on the basis of a tax return with the exception of the Minister of National Revenue, if he reads it; and even if he reads it he is not at liberty to tell the government about it. So no other member of the government knows what is contained in the return of General Motors or in the return of any other company which files a return.

And even if this information were available it would be nothing as compared with what we are asking for under this bill—information which includes such matters as charges for royalties and research and similar payments and charges for various services including engineering, architectural, legal, accounting and auditing services and so on, showing the fees and charges separately in each case. And there is all the other information which clause 4 would require these corporations to file.

The suggestion inherent in the hon. member's speech a moment ago is that this kind of information is available to the dominion bureau of statistics. That suggestion is just unfounded and malevolent nonsense. It is because such information is not available anywhere that we have introduced this bill and made it necessary to report this and other information which, if it were not for this measure, would never come to the knowledge of the government, the dominion bureau of statistics or anyone else.

There is another thing that the hon. member carefully omitted to point out. The dominion bureau of statistics itself—and I gave the hon. member the page reference—clearly draws attention to the fact that information in the form in which it comes to them does not enable that organization to make speedy, accurate and 100 per cent reliable statistical summaries. Here is what they say on page 62:

> In the post-war years the series has made extensive use of the condensed balance sheets published by the Department of National Revenue in the annual report on taxation statistics. As this material does not become available for a considerable period after the time to which it relates, the bureau's series involving Canadian as well as foreign investment cannot be produced as currently as statistics of international investment. The condensed balance sheet figures are not ideal for estimating the total value of selected Canadian industries comparable to the foreign investment record. Corporations are not permitted by the Department of National Revenue to file consolidated reports, while for obvious reasons consolidated balance sheets are used wherever possible in the records of international investment.

I gave the page reference of that quotation to the hon. member yesterday, but he carefully avoided drawing attention to the fact that the dominion bureau points out that it is not in a position to get accurate, up to date particulars of the kind so necessary not only if detailed knowledge is to be available but also if adequate statistical summaries are to be compiled and published.

So I could go on indicating the inadequacies, the glaring omissions, the misconstructions, the misinterpretations and the misleading effects of what the hon. member has been saying about this bill for the past three days. There is one thing I should like to suggest and that is with regard to the matter of the labour unions. I am prepared to discuss those provisions fully when we get to them, but I do hope, Mr. Chairman, that at this stage you will not permit a general discussion of the trade union position, which should be reserved until we come to that part of the bill dealing with trade unions. I make this observation now because on

several occasions the hon. member for Skeena began to get into this question of unions. In my opinion the discussion is sufficiently general now; indeed, it is over-general now that we are dealing with the clauses of the bill. I suggest it would be a mistake to get into a general discussion at this time of the question of trade unions which, I suspect, the hon. member is trying to introduce.

As to the purpose of the bill, and the charges and allegations which have been made, I can only conclude by saying that such a deliberate obfuscation of the objects and intent of the bill, such a distortion of its effects, such misrepresentation as to what it does, can only give rise to the thought that the hon. member's speeches are made for political purposes. In any event, I certainly say that what is being done here now and what has been done for the past three days will, if continued, have the effect of depriving Canada of the benefits of an advantageous piece of legislation which would place the government for the first time in history in possession of full details as to how foreign owned corporations and subsidiaries in Canada carry on their affairs.

Mr. Howard: When it comes to obstruction, misinterpretation or misinforming the committee, I must bow to the superior capabilities of the minister, which were evident from his introductory remarks on second reading and from the other remarks he has made from time to time while this bill has been under consideration.

I did not know the minister had such a low regard for the dominion bureau of statistics as to practically call the statistical summary worthless. I had assumed it was of some value. Perhaps if it did have any value, and if we had a government which believed truly in all the things it says it believes in, steps would have been taken earlier to deal with this question of foreign control. That would have been done shortly after the government took office, but it was not. For general policy purposes the statistics contained in this report show that over the years since 1926 foreign control over Canadian industry has been increasing year after year. There is no question about that, and the minister cannot discount it. He cannot discount the fact that he has access to this document. Surely this would have been sufficient for policy purposes. The minister claims that information of various kinds—and he read a list from clause 4—is not now available in any way.

Mr. Fulton: To the government.

Mr. Howard: Not now available to the government.

Mr. Fulton: Nor to the public.

Mr. Howard: Never mind the public for the moment; it is the government which wants to have this information. Architects' fees, engineering fees, legal fees and so on; that is not available to the government.

Mr. Fulton: Research payments, for example.

Mr. Howard: The other day when we talked about the schedule and all the various corporations included in it, the minister said that this information relating to those corporations and companies mentioned in the schedule was available to the government. I am thinking of a bank to which the Bank Act or the Quebec Savings Banks Act applies, an insurance company registered under certain acts, a trust company licensed under the Trust Companies Act, a loan company licensed under the Loan Companies Act, a radio company licensed under the Radio Act, a transcontinental air carrier designated as a group 1 carrier, and so on. Either this information is available or it is not. The minister cannot argue both ways, though we know that is his usual course; to argue from both sides of the fence or from both points of view, as happens to suit his purpose at the moment.

The other day he said one thing and today he stated just the opposite. Which statement will we believe? Was the minister truthful on each occasion? It seems impossible. Perhaps the minister in his own mind can rationalize the process of doublethink he employs on occasions, but I do not think anyone else will accept it. On April 2 the minister quoted the splendid statements made by the Prime Minister in addressing the chamber of commerce in Great Britain. The Prime Minister said:

> We have made it clear that we expect foreign concerns operating in Canada, or Canadian subsidiaries of foreign companies, to carry on operations as Canadian businesses.

That is a fine phrase, an admirable concept and policy. What has been done about it? Nothing. I continue:

> We expect them to make available a fair portion of their equity securities for purchase by Canadians—

That is also a splendid attitude. What steps have been taken in this respect? When the Prime Minister was making this speech to the Canadian Chamber of Commerce in Great Britain the dominion bureau of statistics figures to which I referred were available. The Minister of Trade and Commerce with his vast knowledge of everything that is going on everywhere undoubtedly knew of this. No action was taken; there was no thought of action. The attitude was to push it to one side; maybe no one will look into

it; maybe people will look at the icing on the cake without examining what is underneath.

The Prime Minister went on to say it was expected that these companies would include Canadians on their boards of directors. That is an admirable approach. What happened? Nothing. The government has continued with its great expectations for five years. What has happened? The government has presented Bill No. C-38. These great expectations represent the longest pregnancy in history, and when they come to fruition we witness a miscarriage.

Mr. Winkler: You should know all about that.

Mr. Howard: The minister told us about foreign control, architectural fees, expense accounts, consulting and engineering fees and the like. This might be useful information if we could have an explanation of the use to which it will be put. The minister says this is a first step toward understanding the Canadian economy. The government should have taken the first step four or five years ago in the direction of having corporations include Canadians on their boards of directors, assuring that a fair portion of equity securities would be available for purchase by Canadians, employing competent Canadians in senior management and technical positions, having corporations conduct a fair share of their research in Canada and making purchases of their requirements in Canada, as the Prime Minister so piously said was his expectation when he addressed the chamber of commerce in England.

It boils down to this. The Prime Minister and his colleagues in the government enjoy engaging in fine phrases and the expression of pious hopes and expectations which read well and sound assuring and will be interesting for posterity to examine. We have had many such statements from the government. However, the day will come when these statements will be compared with the action that has been taken. We are told that we will be judged by our deeds. We frankly do not believe the minister and the government can be relied upon to carry out what they say they will carry out under this or any other legislation.

I am not distorting anything. I remind the committee that only after persistent questioning and digging did we learn the true purpose behind this legislation. It will be used only as a campaign gimmick to mislead the people into believing that the government will take action toward developing the national culture we all wish to see developed, but we do not believe this will happen under this government.

[Mr. Howard.]

Mr. Caron: Mr. Chairman, yesterday I asked the minister to submit a report of the subsidiary companies appearing in the report of the Bell Telephone Company, and he undertook to do so under the appropriate portion of the schedule. When we reach that point will he also advise how many other telephone companies report to the board of transport commissioners?

Mr. Fulton: Yes, Mr. Chairman, I will have that information. I have been gathering fairly full information about telephone companies in anticipation of questions of that type. I hope that all such questions can be fully answered when we reach that part of the schedule.

Clause agreed to.

On clause 4—*Return to be filed with minister.*

Mr. Fulton: Mr. Chairman, I will ask one of my colleagues, in accordance with the indication given on second reading, to move:

That the said bill be further amended by substituting the words "dominion statistician" for the word "minister" in line 9 on page 2 and in line 17 on page 4.

Mr. Starr: I so move.

Mr. Howard: This is an extensive clause covering several pages. Could we proceed point by point after the minister's amendment has been circulated?

Mr. Fulton: Those are the only two amendments I have to clause 4. I have no objection to taking it subparagraph by subparagraph or in whatever way the committee would like. Perhaps we could take subparagraph (a) beginning with the words "section A" under the heading "returns" first and then subparagraph (b), or it could be taken Roman numeral by Roman numeral. I do not mind at all, and suggest we proceed in whatever would be the most satisfactory and orderly method.

The Chairman: Shall the amendment carry?

Some hon. Members: Carried.

Amendment agreed to.

Mr. Howard: The latter suggestion of the minister would be an orderly way of proceeding, calling the paragraphs by Roman numeral.

The Chairman: There is a considerable portion of clause 4 at the very beginning. Perhaps it would carry and we could call out the Roman numerals after that. Is it agreed?

Some hon. Members: Agreed.

The Chairman: Shall paragraph (i) of clause 4 carry?

Mr. Fulton: I take it that the introductory portion of the clause and the portion designated by the small "a" in brackets would carry and then we could proceed to the portion designated by the Roman numeral (i).

The Chairman: Shall the introductory portion of clause 4 carry?

Some hon. Members: Carried.

The Chairman: Shall subparagraph (a) carry?

Some hon. Members: Carried.

Subparagraph agreed to.

The Chairman: Roman numeral (i).

Mr. Howard: Mr. Chairman, in this portion there are set out a number of companies. Perhaps there is no need to read them all. What I am getting at is that those companies which are covered by parts 1, 2, 3, 4, 5, 6, 13, 14, and 15 in the schedule are not required, under the respective acts, to file the corporate names of their corporations. Does this information come to the attention of the dominion statistician? If any of them do not do so, can the minister indicate which ones do not?

Mr. Fulton: I think the answer to the question, in order to be accurate or at least to keep it within the bounds of my own information, is that I do not know in detail. I imagine the same question will be asked with respect to every other item or subparagraph of the clause and I shall be obliged to give the same answer to every such question. I do not know personally whether in fact a return made by these various companies under the statutes under which they are obliged to report contains every one of these particulars. However, I have been satisfied that that information is within the knowledge of the officers; and certainly the information with respect to subparagraph (i) with which we are dealing is within the knowledge of the officers to whom the kind of companies named make their reports.

Mr. Howard: This is something the same as—

Mr. Fulton: In other words, I do not personally know whether the returns under the Bank Act, the Quebec Savings Banks Act, the Canadian and British Insurance Companies Act and so on contain a blank requiring the corporate name of the corporation to be shown. I rather imagine they do contain such a blank. However, what I do know with absolute certainty is that the inspector of banks, the superintendent of insurance and all the other officers know the corporate names of the corporations that report to them.

Mr. Howard: Is this not something like saying that the dominion bureau of statistics does not know in fact how much taxes, for argument's sake, or does not know in fact the engineering and architectural and accounting fees which General Motors pay but they do know in one way or another what these are because they take the taxation statistics of the Department of National Revenue? It is the same thing as saying they may not in fact know some of this particular information but they have knowledge of it because they have been compiling statistics since 1926 which have been giving the extent of foreign control that exists over Canadian industry.

The Chairman: Shall subparagraph numbered Roman numeral (i) of paragraph (a) of clause 4 carry?

Subparagraph agreed to.

On subparagraph (ii).

Mr. Howard: I do not wish to rephrase or restate the question, but I think in one way or another we should do so. My question under subparagraph (ii) is this. With respect to those companies which are under the schedule or are related under the schedule to which I referred previously, and which are exempted or will be exempted from this act once it becomes law unless changes are made in the schedule, do those companies file with dominion bureau of statistics the information which is set out in subparagraph (ii) or do they file it with somebody else and then dominion bureau of statistics have access to it?

Mr. Fulton: The answer I give is very much the same as the answer to the same question under subparagraph (i), with this addition. These questions are all matters of public knowledge, because the requirements for reporting are contained in the various statutes to which the hon. member refers and the information can be obtained by studying those statutes. I do not intend to make any statement which may be inaccurate. I do not have each one of those statutes and all the details imprinted on my mind. I am therefore not going to answer the questions beyond what I have just said. I will emphasize again, however, here and in the context of all the other subparagraphs of this clause, that with respect to this information as it applies to the first six heads of the classes of corporations mentioned in the first six heads of the schedule, there is none of this information which cannot be obtained and be made available to the government at any time and to the dominion bureau of statistics at any time it is desired by virtue of the operation of those acts. As

I have already said, most of it, if not all of it, and a great deal more besides is already available and known.

The Chairman: Shall subparagraph (ii) carry?

Subparagraph agreed to.

On subparagraph (iii).

Mr. Howard: I should like to ask the minister this question. I think it is necessary to put this on record so that whoever reads *Hansard* in the future will see that what the minister is saying is that in fact the corporations listed in the schedule which are exempt do not have to file precisely the same information as do other corporations which will be covered by this particular act. I ask the minister whether those companies which come under paragraphs 1 to 6 inclusive and paragraphs 13 to 15 inclusive of the schedule and which are exempted from this act are obliged to file returns or whether they have to file under these respective acts information which would show, and I quote, "the manner in which the corporation was incorporated and the date and place of its incorporation".

Mr. Fulton: I make the same answer I have already made. By way of comment on what the hon. member has said in the introductory part of this particular question, I am glad to assure him that if he looks at *Hansard* I am sure he will find that I have said at least half a dozen times already that I do not say it is precisely the same information. What I have already said is that it is as extensive and in many cases more extensive, and that the information and the kind of information we wish to know here is abundantly available and the ability to get it is there in the other statutes. For the rest I must ask my hon. friend to read the statutes in question.

Mr. Howard: I am sorry, but I did not catch the minister's last phrase. Would he repeat his last words? I did not hear them.

Mr. Fulton: I said that perhaps if my hon. friend is really interested in this matter he might care to read the statutes in question.

Mr. Howard: That is what I thought the minister said. Perhaps if the minister was really interested in giving the committee full information he would have had this information made available to him so that he himself would be able to properly answer questions about this bill. I think he should have done that unless, of course, he did not expect that anyone would be much interested in it and thought that he could just sneak it or slip it through the committee without too much debate.

The Chairman: Shall subparagraph (iii) carry?

Subparagraph agreed to.

On subparagraph (iv).

Mr. Howard: I would ask the minister the same question as that which I have asked him previously on subparagraphs (i), (ii) and (iii).

Mr. Fulton: I give the same reply.

The Chairman: Shall subparagraph (iv) carry?

Subparagraph agreed to.

On subparagraph (v).

Mr. Howard: I would ask the minister the same question with respect to this subparagraph (v).

Mr. Fulton: I have told the hon. gentleman that the answer to these questions is the same in every case.

Mr. Howard: Does the minister now perhaps think it would have been better for him not to have insisted on having his day in parliament, but that he should have referred the matter to a committee where we might have obtained this information?

Mr. Fulton: No, I do not think so. I also know that if I had brought in the hundreds of pages of information in order to enable me to answer this question—although that information is readily available elsewhere and easily obtained if necessary—the hon. member would have thought up hundreds of other equally unnecessary questions.

Mr. Howard: It seems most unkind of the minister to deal in this fashion with such an urgent and important matter as this, and to make reference to questions as being unnecessary. The minister may be able to satisfy his own followers in caucus by telling them that everything is all right because, after all, he is on their side, but when it comes to attempting to understand what the government is trying to do by this bill then his reference to unnecessary questions—I think I have paid too much attention to it—really indicates the attitude of the minister toward these things, that he is not prepared to go into questions relating to the bill in detail.

Subparagraph (v) agreed to.

On subparagraph (vi).

Mr. Howard: There is a reference here to particulars as described in subparagraphs (i) and (ii) in respect of each body corporate holding 10 per cent or more of the total number of issued shares of the corporation, and

so on. I am sorry, Mr. Chairman, I am reading the wrong one. I assume that if I were to pose the question I asked with respect to paragraphs (i), (ii), (iii), (iv) and (v) I would get the same answer from the minister, that he does not know.

Subparagraph agreed to.

Subparagraph (vi) agreed to.

Subparagraph (vii) agreed to.

On subparagraph (viii).

Mr. Martin (Timmins): Mr. Chairman, the minister has said that the purpose of the government is to endeavour to get all the facts with regard to these corporations and trade unions. It is my intention to move an amendment to add a paragraph after subparagraph (viii) and I wonder whether this is the appropriate time to do so.

The Chairman: We are now engaged in the study of paragraph (viii).

Mr. Martin (Timmins): It has not been adopted?

The Chairman: It has not been adopted.

Subparagraph agreed to.

Mr. Martin (Timmins): I presume I would be in order now, Mr. Chairman. The minister has said that the purpose is to gather information respecting foreign control and its effects so far as the Canadian people and economy are concerned. I should like to point out one very serious omission. In my view the political control that could be brought about by corporations and trade unions is equally as important as economic control. With that in mind I should like to move:

That immediately following subparagraph (ix) of paragraph (a) of clause 4 the following be inserted as a new subparagraph (x)—

On rechecking I find that I probably should move this amendment after paragraph (ix).

On subparagraph (ix).

The Chairman: I believe the hon. member for Megantic wishes to speak on this paragraph. If the remarks of the hon. member for Timmins apply after the paragraph has been carried I will now recognize the hon. member for Megantic.

Mr. Roberge: Mr. Chairman, I find it somewhat difficult to understand either the English or the French text. If I am not mistaken it means that private companies not allowed to sell shares to the public will not be obliged to report the information set out in subparagraph (ix). Is my interpretation correct?

Mr. Fulton: The words "except in the case of a corporation incorporated by or under an act or instrument by the terms of which any invitation to the public to subscribe for its shares and debentures was prohibited" have the effect of excluding private corporations.

Subparagraph agreed to.

Mr. Martin (Timmins): Mr. Chairman, I have no intention of repeating the remarks I have already made because I do not think it is necessary. I will proceed to move the amendment. I move:

That immediately following subparagraph (ix) of paragraph (a) of clause 4 the following be inserted as a new subparagraph (x):

"(x) the names and addresses of any

(a) candidate for election as a member of the House of Commons, a member of the legislature of a province or a member of the council of the Yukon Territory or the Northwest Territories, and

(b) political party to which any money, securities, or equivalent of money was contributed or loaned and the amount thereof that each such candidate or political party received and showing as to each amount whether it was in money or otherwise and whether as contribution, loan, advance, deposit or otherwise and if a loan the terms thereof and whether the loan has been repaid", and that the present subparagraphs (x) and (xi) be renumbered as subparagraphs (xi) and (xii) respectively.

I might add, Mr. Chairman, that we would like to move the same amendment when we come to the same point in the clauses of the bill having to do with unions.

Mr. Fulton: Mr. Chairman, I would advise that this amendment appears to have nothing to do with the purposes which this bill has in mind and while I do not raise it as a point of order I say that in my judgment the amendment is entirely irrelevant as an amendment to this bill. It might be relevant and have a place as an amendment to some other act but it has nothing to do with the purposes for which this bill was introduced and therefore I must oppose the amendment.

Mr. Howard: Mr. Chairman, I should like to comment on the statement of the minister and on the substance of the amendment itself. It is well known that when a court deals with a statute it does not pay any attention so far as the purpose of the statute is concerned to what members may have said in the course of debate or argument for or against the legislation. All the court does is to look at the law itself and come to a conclusion as to what it means. If we apply the same thing here, the minister has said that the purpose of the bill is such and such, but in fact this is not what the bill says.

I referred to the title of the bill earlier and it is "an act to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada". That is the

title of the bill. I submit that within that title this amendment is quite proper because it deals with financial and other statistics relating in this instance to the affairs of corporations from the point of view of their contributions to political parties. I submit that such statistics come within the ambit of the legislation just as much as payments for advertising and payments for consultants' fees.

If it is necessary to know what the affairs of a corporation are, and a union—I only drag that in because they are both in the same bill—in respect of control over the economy, then surely the general public is entitled to know what the affairs of that corporation and that union are in respect of their control over a political party, what their contributions to a political party are. This is a simple question of justice and fairness to the people of this nation. We think this particular amendment should be supported and made a part of the legislation.

Mr. Caron: Although we have no real objection to the amendment, we have to support the opinion submitted by the minister that it would be better in the electoral law than it would be in this bill. However, we have no real opposition to the amendment.

Amendment Mr. Martin (Timmins) negativated: yeas, 11; nays, 36.

The Chairman: I declare the amendment lost.

On subparagraph (x).

Mr. Pitman: This paragraph reads:

—the name and address of each director of the corporation, and the nationality of each individual who is a director of the corporation,—

I must disagree with this word "nationality". Surely, the purpose of this bill is to ascertain the extent of foreign control. I cannot see how the nationality of a director, if I am correctly construing the word "nationality", is of any value. What value is it to know whether a director is a Ukrainian, Japanese or Chinese. I would say that this provision is contrary to the whole emphasis throughout our legislation in which we are seeking to wipe out differences of national origin. Do we not want to know what the citizenship of the director is? I would move, therefore, Mr. Chairman, seconded by the hon. member for Timmins:

That subparagraph (x) of paragraph (a) of clause 4 be amended by deleting the word "nationality" in line 36 thereof and substituting therefor the word "citizenship".

Mr. Fulton: Mr. Chairman, I should like to assure the committee that so far as the question the hon. member for Peterborough has in mind is concerned, the use of the word "nationality" in this bill for this purpose has no significance with regard to discrimination—

The Chairman: Perhaps before the minister continues I should bring the amendment before the committee. It is proposed by the hon. member for Peterborough:

That subparagraph (x) of paragraph (a) of clause 4 be amended by deleting the word "nationality" in line 36 thereof and substituting therefor the word "citizenship".

Mr. Fulton: Perhaps I can make a better start this time. I appreciate and share the desire of hon. members to avoid the use of any word which has any token or suggestion of discrimination in the sense in which the hon. member for Peterborough has used that expression. There are certain technical difficulties surrounding the use of the word "citizenship", which he has suggested, instead of the word "nationality". As a descriptive word in the context of this kind of legislation, "nationality" is the apt word. For instance, one does not say a citizen of the Netherlands, one says a Dutch national. One does not normally speak of a citizen of England, but one talks about a British subject. In other words, we are not here referring to origin in the sense of race. We use the word "nationality" as an indication of the nation of which that person is a national and to which he owes allegiance.

I am advised, after discussing the matter, that the word "citizenship" of such a person would create certain technical difficulties in respect of interpretation. I have no strong views on the matter myself, but I am convinced that the use of the word "nationality" is more apt for the purpose we have in mind, which has nothing to do with discrimination but merely the establishment of the nation to which the person in question owes allegiance.

Mr. Roberge: As the minister says, this is really only a technicality. May I offer this suggestion, that this paragraph be amended by using the two words, nationality or citizenship.

Mr. Fulton: I see no objection to it if that is agreeable to the hon. member who moved the amendment. This would make it read "nationality or citizenship".

Mr. Pitman: I am quite willing to accept that amendment because then companies would be able, if they were asked for this particular information, to give the name, address and citizenship or nationality of a director. If a director were a Canadian citizen, he would not have to say he was a Ukrainian national or a Japanese national. You are using "or" and not "and". I think this is quite acceptable and the resultant information will be quite different from that which would be

received if the paragraph were left unchanged. I very much appreciate the minister's remarks with regard to his desire not to be guilty of any kind of discrimination, but as matters stand now this is more in line with the minister in his other areas of activity. I am sure the minister does not want this to become a snooping bill, or have it come to be regarded as a snooping bill by directors of corporations and unions.

If a person can state he is a Canadian citizen and does not have to state he is of Japanese, Ukrainian or Chinese origin then that would be very acceptable.

Mr. Fulton: I would just point out with regard to the use of the word "nationality" that if a person were a Canadian citizen he would simply say "Canadian". He would not have to refer to his national origin, but I would be happy to accept the amendment and have added to it "or citizenship." I do not mind which comes first—citizenship or nationality.

The Chairman: In that case the amendment proposed by the hon. member for Peterborough will read:

That subparagraph (x) of paragraph (a) of clause 4 be amended by adding after the word "nationality" in line 36 thereof the words "or citizenship."

Mr. Pitman: That is quite acceptable, and perhaps when we come to the next subparagraph we might do the same there.

Amendment agreed to.

Subparagraph (x) as amended, agreed to.

On subparagraph (xi).

Mr. Pitman: Perhaps the minister would be willing to accept the same change here.

Mr. Fulton: Yes, Mr. Chairman.

The Chairman: Then this amendment is moved by the hon. member for Peterborough:

That subparagraph (xi) of paragraph (a) of clause 4 be amended by adding after the word "nationality" in line 38 thereof the words "or citizenship."

Shall the amendment carry?

Amendment agreed to.

Subparagraph (xi) as amended, agreed to.

On clause 4, paragraph (a).

Mr. Peters: Since we have finished with subparagraph (xi) I believe there should be another subparagraph added as (xii) so that it would allow us the opportunity of checking between the filing of collective agreements, as provided for on page 7, and which reads "the name and address of each employer, or association of employers, resident in Canada with which the union has a collective agreement".

I suggest that we should add a new subparagraph which would read—

the name and address of each union, or unions, resident in Canada with which the corporation has a collective agreement,

The reason I suggest this is because it would give us an opportunity of checking one against the other. In my opinion it is not imposing any great hardship by asking companies to do this as well as unions. For that reason I move the following amendment:

That paragraph (a) of clause 4 be amended by adding thereto the following as subparagraph (xii): "(xii) the name and address of each union, or unions, resident in Canada with which the corporation has a collective agreement, and"

Mr. Fulton: I must say that with respect to the principle of getting this information there can be no objection, but I think we are going to have all the relative information under part II of the bill, where the obligation to report the names and addresses of the employers with whom unions have agreements is imposed upon unions. I would find it difficult to conclude otherwise than that that is the logical place where the requirement should be laid. It seems to me most logical to ask for this from the unions. This information certainly has to be sought but, having asked it from the unions, I can see no point in asking it from the companies. It would add unnecessarily to what hon members opposite have already described as a considerable burden of reporting on corporations.

I want to emphasize that I see nothing wrong with the principle of getting this information but we have already arranged to get it and I cannot see any point in duplicating it. Therefore I would oppose the amendment.

Mr. Peters: But take the example of a union with less than 100 employees. Under the provisions of the act it would not have to file this information, whereas a company with less than 100 employees might come within the provisions of the bill and therefore would have to file any collective agreement with its employees. The reverse could be true, and I can see a number of cases where that information could be given by one side and not by the other. The amendment would give us a more uniform picture of the collective agreements as such. I can see very little reason for a company refusing to meet this limitation, because we are not asking the unions to assure themselves that a company is going to report under the provisions of this bill before we ask them to file their collective agreements.

On the other hand a company could file an agreement even though the union with which it was in negotiation did not have to file the agreement negotiated. As I say, I can see a number of cases where this would provide us with information that would not be available otherwise.

Amendment (Mr. Peters) negatived: Yeas, 16; Nays, 50.

The Chairman: Order. It being five o'clock it is my duty to leave the chair in order that the house may proceed to consideration of private members' business pursuant to section 3 of standing order 15.

Progress reported.

PRIVATE BILLS

CANADIAN PACIFIC RAILWAY COMPANY

The house in committee on Bill No. S-17 respecting the Canadian Pacific Railway Company and certain wholly owned subsidiaries—Mr. Stewart—Mr. Martineau in the chair.

On clause 1—*Short title.*

Mr. Stewart: Perhaps I should make a few remarks in connection with this measure. By this bill the respective railways and undertakings of three wholly owned leased subsidiaries of Canadian Pacific, including all their respective powers, rights, privileges, franchises, assets, effects and properties will be vested in Canadian Pacific Railway Company, which company will assume all their liabilities, obligations and duties.

The names of the three subsidiary companies and their locations are as follows: Joliette and Brandon Railway Company, Quebec; The Saint John Bridge and Railway Extension Company, New Brunswick; and The Saint Stephen and Milltown Railway Company, New Brunswick.

The petition for the bill has been made jointly by Canadian Pacific Railway Company and the three subsidiary companies concerned, in accordance with resolutions passed by the directors and shareholders of all companies.

Joliette and Brandon Railway Company was incorporated by statutes of Quebec (1905) 5 Edward VII, chapter 56 and vested with the franchises, subventions, railway, property, privileges, easements and appurtenances of the Montreal and Lac Maskinonge Railway Company, incorporated by statutes of Quebec (1887) 50 Victoria, chapter 68; the said company was leased to Canadian Pacific Railway Company for 94 years from January 1, 1906, by an indenture of lease dated October 31, 1906.

The Saint John Bridge and Railway Extension Company was incorporated by statutes of New Brunswick (1881) 44 Victoria, chapter 44; the said company was leased to Canadian Pacific Railway Company for 999 years from December 31, 1943 by an indenture of lease dated October 31, 1943.

The Saint Stephen and Milltown Railway Company was incorporated by statutes of New Brunswick (1886) 49 Victoria, chapter 17; the said company was leased to Canadian Pacific Railway Company for 99 years from May 1, 1897 by an indenture of lease dated April 21, 1897.

All three companies are presently operated by Canadian Pacific Railway Company as part of its system under the provisions of the abovementioned long term leases. It is intended to continue to operate these companies as part of the Canadian Pacific system after the legislation comes into effect so long as economic conditions warrant their operation. The proposed legislation will not affect the public in any way.

The purpose of the bill is to effect a simplification in the corporate organization of Canadian Pacific Railway Company. It will eliminate unnecessary clerical work which is now required by reason of the existence of these subsidiary companies.

In 1958 a similar act was enacted by the parliament of Canada, vesting in Canadian Pacific Railway Company, the railways and undertakings of nine other wholly owned leased subsidiaries of Canadian Pacific Railway Company; the act in question is chapter 54 of the statutes of Canada 1958. Other similar acts vesting in Canadian Pacific Railway Company the railways and undertakings of wholly owned leased subsidiaries were enacted in the years 1955, 1956 and 1957. Altogether 35 wholly owned leased subsidiary companies have been vested to date in Canadian Pacific Railway Company.

The present bill is identical with chapter 54 of the statutes of Canada, 1958, and the other vesting acts, except that this year only three wholly owned subsidiaries of Canadian Pacific are to be vested and that no dissolution of these subsidiary companies is sought as the said three companies were incorporated by provincial legislation.

The practical effect of the ownership by Canadian Pacific of all the capital stock and bonds, where issued, of the three companies involved, combined with the leases of the companies to Canadian Pacific Railway Company is tantamount to the amalgamation of these companies with Canadian Pacific Railway Company. The act sought from the parliament of Canada will complete the matter.

Clause agreed to.

Clauses 2, 3 and 4 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Stewart moved the third reading of the bill.

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

THE UNITED CHURCH OF CANADA

The house in committee on Bill No. S-16 respecting the United Church of Canada—Mr. Morton—Mr. Martineau in the chair.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Morton moved the third reading of the bill.

Mr. Frank Howard (Skeena): Perhaps when he closes this debate the hon. member who sponsors this bill could answer a question for me. I notice that the United Church of Canada, according to the wording of the bill, is "hereinafter called 'the corporation'". Could the hon. member tell us if he is of the opinion that this is one of those corporations which might have to report statistics under the bill we were considering before five o'clock, if it becomes law?

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

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, April 5, 1962

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate chamber today, the 5th April, at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,

A. G. Cherrier
Assistant Secretary to the
Governor General.

EXCHEQUER COURT

EXTENSION OF JURISDICTION TO INCLUDE DIVORCE

Mr. Arnold Peters (Timiskaming) moved the second reading of Bill No. C-40, respecting the jurisdiction of the Exchequer Court of Canada.

He said: Mr. Speaker, I did not think this bill was going to come up this session nor did I think the necessity would arise. Your Honour will notice that I have delayed this bill and several others for some time for the specific purpose of allowing the government to make a decision on this matter.

Mr. Pallett: Mr. Speaker, may I ask the hon. member a question. What is the basis for the hon. member's last statement?

Mr. Peters: The basis for that statement is that I decided something was going to be done about this matter. I had the words of the house leader last year which gave me this indication.

Mr. Pallett: What does the hon. member mean by "delaying" the bill in terms of putting it on the order paper? I think the hon. gentleman misunderstood the question.

Mr. Peters: This is a technicality. As my hon. friend knows, when the list is made up the bills appear on the order paper. If they are not dealt with when called they drop to the bottom and then come up for a second time. I thought that by following this practice the government would be given an opportunity to take action. I therefore waived my original right with respect to the placement of the bills on the order paper. I did this because I understood negotiations were under way to solve the serious problem of parliamentary divorce.

The hon. member for Skeena and I have been interested in this matter for some time. In the last two or three sessions we acquiesced in the suggestions of the house because we thought something would happen. I was asked why we assumed this. In reply I refer hon. members to page 8865 of *Hansard* of September 25, 1961 where the following statement is found:

—the question of procedure with respect to parliamentary divorce is under study, and the government has hopes of being able to present to the house at the next session some proposals in this regard.

I was not aware that the government was not going to take action.

Mr. Macdonnell: May I ask the hon. gentleman who made that statement and the source of the quotation?

Mr. Peters: Those are the words of the Minister of Veterans Affairs speaking in his capacity as house leader as reported at page 8865 of *Hansard* of September 25, 1961.

A similar statement was made on other occasions. On the occasion just referred to I assumed something would be done. I was pleased with the results of negotiations that took place among hon. members of the

Liberal and New Democratic parties and the hon. members for Davenport and Marquette. There seemed to be agreement that something could be done without any particular fanfare and fuss. It is our sincere desire to have this problem solved. If it can be solved through negotiations, all the better.

We are now faced with the terrific rush of private hon. members to get their bills on the order paper which indicates that dissolution may be just around the corner, and the problem has not yet been solved.

We are concerned about recent rumours about negotiations that have taken place between parties in the house. Probably this is true. The hon. member for Skeena and I have shown an interest in this matter but with the exception of the discussions with the two hon. members referred to, little discussion has taken place that would indicate a solution is in sight.

Much publicity is being given to the other place and some of the hon. members of that chamber. More attention is being paid to their need for publicity than to the need of solving the problem.

Some may say the problem cannot be, need not be or should not be solved. Certainly the method of solution is open to debate and in making the suggestion I am today I feel I am offering a proposal capable of being implemented by the government without cost which may even result in putting a few dollars in the federal treasury.

On March 22 of this year Hon. Senator Pouliot raised some questions about this matter in relation to the British North America Act. The Minister of Justice should consider that many provinces operate divorce courts under licence of the federal government. Senator Pouliot has done considerable research in the field and is under the impression that only the Exchequer Court of Canada or another federal court could handle divorce cases because provincial courts or any other courts are ultra vires of the constitution. That may be a valid point. Those divorce courts already in existence may be in conflict with the British North America Act. I have contended that the present set-up is unconstitutional.

The easy way for the government to solve the problem would be to appoint two or three additional judges to the Exchequer Court of Canada and let them handle the divorce cases there with the existing facilities. I know the Exchequer Court of Canada is not presently equipped to deal with these cases but they could be dealt with there expeditiously and economically. There is a higher appeal court over the Exchequer Court of Canada. I understand that the exchequer court now handles mainly income tax, corporation tax and other appeal cases.

I do not wish to examine all the many suggestions that have been made for solving the problem, many of which are unrealistic. The suggestion has been made that all these cases should be dealt with by the other place. The attitude taken is: Let the senators be the divorce court for parliament. It would be perfectly all right if the government were to sit down with the members of the other parties and decide what type of rules they could provide for a court which would make, in my opinion, a complete change in the Senate operation. However, first I think we should like to know what the present government's intention is in relation to Senate reform. If we are going to reform the Senate radically, I think this reform would have some effect on the divorce court that could be established in that place. I believe that at the present time there is only one man who is well enough informed in this particular field to be able to operate that divorce court. If we are going to retire the present members of the Senate at the age of 80, then this gentleman will no longer be available for that job.

I also believe that we should be obliged to set up a proctor in order to protect the rights of this house. I think we should also be obliged to make it necessary to bring back to the House of Commons a report on what happened in the other place in relation to the detective agencies that appear before it, the lawyers who appear before it, the taxation schemes that are put into effect in each of these cases, and to bring back to parliament a report indicating the desires for reform that would take place from time to time as the operation of a court in the Senate developed. I think this would have to be done before there can be any agreement.

It may be said that this is not too important a matter. However, let me read a few excerpts from some editorials which have appeared in the press. In one which appeared in the Toronto daily *Star* of July 16, 1960, we find this statement:

> Parliamentary divorces are the scandal of the nation. They have long cried out for reform. The government should set up the necessary preliminary study at once, possibly by a special committee of the house.
>
> The terms of reference must go beyond a switch of Quebec and Newfoundland divorces from parliament to a court.

It then goes on to state what other things they should do. Another editorial which appeared in the *Globe and Mail* of March 5, 1962, in referring to discussions we have held in this House of Commons, contained this statement:

—illuminated the farcical nature of the divorce machinery by insisting upon debating the merits of individual bills in the Commons, thus disrupting the parliamentary timetable.

Then it goes on to say this:

Parliament's first progressive move should be to hand the Newfoundland and Quebec petitions to a competent federal court. The second move, and one which should not be long delayed, should be the liberalization of the divorce laws.

Another editorial which appeared in the *Star Weekly* of August 5, 1961, had this to say:

—Parliament degrading its function by becoming a legislative Reno, the logical and easy move would be appointment of a royal commission to inquire into Canadian divorce procedures.

Then it goes on to say this:

But while parliament continues to seek so assiduously for revisions of present divorce procedure, it might logically recommend a commission. As yet, however, it has not chosen to do so.

It goes on further to state this:

Until this happens, however, the parliamentary divorce mess will continue to be a shame and scandal to all Canadians.

I understand that in my own particular riding some of the constituents who do not support me have said that one of the things wrong with their member of parliament is that he has continued to fight for divorce reform in Ottawa. I ask you this question, Mr. Speaker. Is it not true that in this House of Commons we pass about 550 or 650 bills a year? Five hundred of those bills are now private bills granting divorce and only 50 bills to 75 bills are related to running the business and the government of this country. Is it not now time that the house leader should stand up and say that he would be willing, as a temporary measure, to accept the exchequer court this year or now as the logical place in which to handle these cases?

I should like to point out only one other thing that I think has been a fault. We are told that the Minister of Justice will supervise the faults of our particular type of procedure on parliamentary divorce. I can read you, Mr. Speaker, a number of references to cases which I have brought to the attention of the Minister of Justice in this house and inquiries I have made about cases which have come before the miscellaneous private bills committee and in which collusion was indicated, as was widely reported by the newspapers, and in which we have asked for an investigation. In each case we have found that the Minister of Justice has almost asked that we prove it before he would even consider it. In one case I have in mind he considered it two years ago and he is still considering it. As far as I know, no decision has yet been made on that particular case. I have knowledge of other cases in which we have failed completely to give the right answer and to provide the modernization of a procedure that was outdated in most countries 50 years ago, and one from which our mother parliament many years ago extricated itself by the establishment of a proper and justified court.

I think the minister is now going to be obliged to make a decision. If he does not do so, no more divorces will be granted in this parliament. No more divorces will be granted this year. I think he now is obliged to make the decision to accept the exchequer court as the logical place as the machinery is already set up. I for one am tired of the broken promises that have been made, and the unfulfilled commitments that have been given to the house. I think the only logical—

Mr. Browne (Vancouver-Kingsway): I rise on a point of order, Mr. Speaker. I should like to take the strongest possible objection to the hon. member's threatening this house by saying that, unless certain action is taken, no more bills of a certain nature are going to be passed in this house. I do not think that is a position that can be accepted by hon. members of this house. If the merits of this bill warrant it, it will certainly be considered and passed. However, we are not going to be blackmailed and be told that we are either going to take a certain action or no more bills of a certain nature are going to be passed in this house.

Mr. Peters: That is no point of order. I am not threatening anybody.

An hon. Member: Closure.

Mr. Peters: The matter is completely open to argument. I have been promised by this particular government many things which just have not happened. I can speak only for myself. As far as I am concerned, this is a logical opportunity for the minister to accept the proposal we have made. I wish no credit for myself. He may have it. The work has been done in preparing a method of proceeding with the matter. If the minister will stand up and say that he accepts this bill, I will certainly relinquish it and we can solve this particular mess; and it certainly is a mess. Like the hon. member who stood up a few moments ago, he has done absolutely nothing through caucus action to force this government to do anything about the matter. I think there would be very few who would stand up in this country and say they wish to endorse the mess we now have and wish to perpetuate it. If this is what he says, then I think he should stand up and say so. If not, we are offering to the government a logical solution to a particularly vexing problem and one which has been recommended by many of the news media of Canada. I think

it should commend itself to the support of the minister on this particular occasion. If he wishes it to be done, it would be quite possible to put this into effect for only a limited period of time and parliament could then again review the procedures if they are not working satisfactorily. However, I think very few will disagree that the procedure in use at the present time is not satisfactory. The time has therefore come for parliament itself to find a solution. The putting of our divorce bills into the exchequer court seems to me to be the easiest government operation possible and the one that will create the least opposition.

(Translation):

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, at the outset of his remarks, the hon. member for Timiskaming (Mr. Peters) mentioned that himself and his colleague from Skeena (Mr. Howard) devoted a great deal of time during the present parliament to the study of the question of divorce. We were certainly aware of that fact, because I feel that they have taken up a considerable amount of the time of the house.

In the dying days of the present parliament, I should like to point out, if I may, that the hon. member for Timiskaming and his colleague from Skeena seemed to me very much impressed and even obsessed by problems of procedure in this respect. I think that this matter of procedure is altogether a minor one and that we should concern ourselves with the problem arising from this bill, especially from the moral and legal points of view.

I am against this bill for two main reasons:

In the first place, I am against divorce. Second, I am opposed to the illegal bill introduced by the hon. member for Timiskaming.

I am against divorce because it is the worst social evil man has ever known, in spite of his social and intellectual achievements.

A short review of the history of the world shows that divorce, this release of one's obligations under both natural and family law, has been on the upsurge not in highly moral societies but in decadent, lascivious and worn out civilizations.

The history of Rome and of France are but two examples of this.

History does show that divorce was established in Rome not when the empire was going through its period of greatness, but when it was becoming decadent.

The divorce problem suddenly appeared in France at the time of the French revolution.

Divorce creates disorder in the family. It destroys its basic element. Moreover, it defeats the objects of marriage, which are to bring children into the world and to raise them, to abate the lusts of the flesh and to provide for mutual help.

Finally, I am opposed to divorce because it kills what the Creator has instilled in us, the desire to be closer to Him and to maintain our human dignity during our whole life.

A study of the social evolution of countries where divorce has been permitted reveals that the individual who took this course headed towards his downfall and away from his human dignity. Statistics indicate that 80 per cent of the suicides involve divorced persons.

The more courts you set up to consider divorces, the more divorces you will have, and divorce cases will increase.

I think that in the Canadian context of Christian morality, one must make all possible efforts to make it more difficult to get a divorce. I do not accept the allegation made by the hon. member for Timiskaming who, at the outset of his remarks, called the attention of the house to the fact that if divorce cases were referred to the exchequer court, that would reduce the cost of obtaining divorces for Canadians.

We should leave things as they are. The fact that divorce is extremely costly is all to the good, because it will lessen this social evil which afflicts both families and individuals.

To set the record straight, I would say that the more divorce courts we have, the more divorce cases are heard, thus contributing to an increase in the number of divorces. Allow me to give you a few statistics concerning divorce throughout Canada.

In 1960, there were 38.6 divorces per 100,000 people in Canada; in British Columbia, the ratio was 100 divorces per 100,000 inhabitants. Meanwhile, the percentage in Quebec was only 9.4; in Ontario it was 46.9 and in Alberta, 74.5. Newfoundland sets the example with the lowest rate: 1.3 per cent.

These figures justify the stand taken by the two provinces which object to the establishment of divorce courts.

At present, divorce petitions in Canada are not a matter of right; it is a privilege, a favour, an exception. Consequently, if divorce

petitions do not constitute a right, they cannot be referred to a federal court. Of course, some provinces have established provincial divorce courts; that is their privilege.

I respect other people's opinions, but I ask that mine be respected also. To refer divorce cases to a federal court, namely the exchequer court is, in my opinion, to give that court authority over the provinces of Quebec and Newfoundland, whereas it has no jurisdiction over those provinces at present in matters of divorce. Since petitions for divorce are not a right but an exception and a privilege, I claim that they cannot as such be referred to a federal court, whether it be the exchequer court or another court which hears petitions of right not cases of privilege.

The hon. member for Timiskaming mentioned in the course of his remarks that the country's constitution, the British North America Act, would not allow the establishment of divorce courts in the provinces.

He probably had in mind section 26 of the British North America Act, which deals with the legislative authority reserved to the parliament of Canada, marriage and divorce coming under section 26.

Using the same argument, I maintain that it is contrary to the British North America Act to propose to refer to the exchequer court the matter of divorce, a matter which is necessarily related, through its ramifications, connections and consequences, to the field of civil rights. As far as the solemnization of marriage is concerned, according to section 92, subsections 12 and 13, civil rights are involved which come exclusively under provincial jurisdiction.

Indeed, the province of Quebec, of which I am a representative in this house, objects to divorce, because it is an action which is not recognized in our civil law. Quebec's hard-won civil law, which was earned through the historic events of 1763 and the Treaty of Paris when freedom of worship was meant to be conceded, with certain restrictions of course, through the Quebec Act in 1774 and particularly through the different British North America Acts, finds recognition in subsection 13 of section 92.

That is precisely one of the basic reasons why Lower Canada, that is the province of Quebec, signed that federation agreement of 1867. It was in order to safeguard its civil rights.

Exchequer Court

Section 185 of the Civil Code of the province of Quebec reads as follows:

> Marriage can only be dissolved by the natural death of one of the parties; while both live, it is indissoluble.

Because of those constitutional, legal, and historical reasons, I do not acknowledge the legality of transferring to the exchequer court a matter which would affect civil rights of the province of Quebec.

Of course, I am still considering the question. It is a very serious problem which must be considered at length. I am still wondering why, in 1867, in order to eliminate some anomalies (this is not the only one) marriage was not left under the jurisdiction of provincial legislatures?

There also exist some anomalies in the economic field, where the provinces and the federal government, due to the changes we have been experiencing in 1962, feel shackled.

We can see the lines of thought in Canada converging toward the repatriation of our constitution which will be amended with the consent of all parties concerned.

I hope this point of view we are submitting today will be duly considered.

In ending my remarks, as I want to allow other members to express their views, I declare that I do not recognize the legality of divorce.

In the province of Quebec, we do not want divorce courts, either provincial or federal.

We respect the wish of all other Canadians, and we think that those citizens who request this favour of an exceptional nature ask for a privilege which cannot be established as of right before the exchequer court.

(Text):

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I extend to the mover of this bill my congratulations. This proposal to take from the Canadian House of Commons the detailed examination of so many of these cases which have been sent here in the past has my support. There have been a lot of anomalies in connection with our practice and procedure, such as the system whereby the other place is given certain jurisdiction to entertain some of these actions, with none of the safeguards which are found in our ordinary courts; the attempt to make our standing committee an appeal body without any examination of witnesses but merely through a perusal of the transcript of evidence and without having any specific standing orders

to govern us in our review. It seems to me that something should be changed, if possible.

I say this without subscribing to the views which I have heard expressed that it is a discredit to the parliament of Canada to be dealing with these matters. It is my firm opinion that we are the ultimate court of appeal and, as such, even the most humble of the citizens of this country should not be denied access to parliament if the occasion arises. I subscribe also to that view. I think the principle which the mover of this bill has in mind might well be a good one. I appreciate what the hon. member for Sherbrooke (Mr. Allard) has in mind. He says he is opposed to divorce, and so am I. Unfortunately, sometimes circumstances do occur just as circumstances bring about the commission of a criminal offence, and they leave us with no alternative.

In considering what we can do, I should like first to express the hope that in this case the two provincial governments mentioned in the bill will take the first step of establishing domestic courts. These domestic courts should first direct their attention to trying to minimize this alarmingly high rate of divorce by exhausting all the methods of conciliation and compromise which are available. I have every reason to believe, and I say this from my own personal experience in the practice of my profession, that there are many things which could be done by provincial courts if they had complete responsibility for taking intermediate steps. However, this is probably irrelevant to the consideration of the bill.

I admire the courage of the mover of this particular bill. This is a matter which fairly bristles with difficulties, such as are bound to be involved in any matter that involves human relationships. These difficulties involve questions of jurisdiction and questions of a legal nature. For example, the bill which the hon. member has moved would purport to give jurisdiction to the exchequer court. As I pointed out when I spoke on this matter last year, the exchequer court today is a court composed of judges who, if they do not have the knowledge when they go to that court obtain it later, have knowledge of certain technical aspects of disputes covering patents, copyrights and matters of a financial nature. This proposal would involve the creation of a branch of the court and the appointment of a number of judges. When I spoke last year I mentioned that, as presently constituted, the exchequer court makes no provision for appeal. The right of appeal is limited to matters involving more than $500. If the amount involved is less than that, there must be, if my memory serves me correctly, leave obtained from a judge of the supreme court and the matter must include the study of certain technical aspects of the statutes of the provinces.

If we drove the petitioners for divorce into the exchequer court as the result of the enactment of this bill, these petitioners would be deprived of the right of appeal. Then, there is the question of alimony which arises in these issues. In all these matters, it is the innocent and unfortunate children who are often the victims. If this particular measure were enacted, the exchequer court would be charged with the responsibility of pronouncing the dissolution of the marriage, if the facts warranted it. The petitioners or respondents, whoever had the responsibility for the children, would then have to go to another court to settle the question of alimony and maintenance. This, Mr. Speaker, I believe is quite wrong. These people would be put to the expense and the difficulty of repeating the evidence because in both types of action precisely the same thing has to be proven. This, I could not accept.

I am going to limit my remarks by pointing out to the hon. member in whose name the bill stands that I have sympathy with the principle that has caused him to bring the bill forward, but I do not think it will serve the purposes which it is aimed to secure. After all, while we have an issue here which needs to be dealt with, we must examine closely the means by which the control we seek can be gained. I do not think these means are sufficient, but as I am sure there are other hon. members who wish to speak I shall not say anything more at this time. I have expressed my views and would like to hear what other hon. members may have to say.

Mr. M. D. Morton (Davenport): First of all I would like to refer to some of the remarks made by the mover concerning the negotiations that the hon. member for Marquette (Mr. Mandziuk) and myself and with the mover and the hon. member for Skeena (Mr. Howard). I might say that the purposes in discussion at that time were primarily an attempt to come to a solution, and I am advised that this is still the case. There have been attempts made to put the project we have in mind in legal language, and also to fit into the solution certain safeguards which were mentioned at that time.

I think in all fairness we should say that the hon. member for Halifax (Mr. McCleave) has given a report of progress on two different occasions and he is hopeful before coming into the house of being able to bring a measure before the house, or before the group concerned as to the arrangements now being made.

Like every new member first coming into this house I am sure we were all astounded by the incredible fact that the parliament of Canada, with all its problems, should be required to deal in detail with the increased number of these divorces. I think it is apparent that some solution should be reached.

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General, desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to incorporate Evangelical Mennonite Mission Conference.

An act respecting the governing council of The Salvation Army, Canada east, and the governing council of The Salvation Army, Canada west.

An act to incorporate Polaris pipe lines.

An act to amend the Canadian Wheat Board Act.

An act to amend the Judges Act.

An act respecting The United Church of Canada.

An act respecting Canadian Pacific Railway Company and certain wholly owned subsidiaries.

An act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1963.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

CORPORATIONS AND LABOUR UNIONS

PROVISION FOR FURNISHING OF FINANCIAL AND OTHER STATISTICS

The house resumed consideration in committee of Bill No. C-38, to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada—Mr. Fulton—Mr. Chown in the chair.

The Deputy Chairman: When the committee rose at five o'clock we were about to consider paragraph (b) at the bottom of page 3 of the bill.

Mr. Howard: Mr. Chairman, at five o'clock we had just passed subparagraph (xi) and it was my intention to move that a new subparagraph be added to be known as subparagraph (xii). I feel this is the proper place to move that amendment which I will now have distributed.

I move:

That paragraph (a) of clause 4 be amended by adding thereto the following as subparagraph (xii):

(xii) The name and address of each corporation or person with which the reporting corporation has an agreement or arrangement relating to one or more of the following:

(a) The exchange of statistics;
(b) The defining of product standards;
(c) The exchange of credit information;
(d) Definition of trade terms;
(e) Co-operation in research and development;
(f) Restriction of advertising;
(g) Prices;
(h) Quantity or quality of production;
(i) Markets or customers; or
(j) Channels or methods of distribution.

Perhaps I should explain to the committee what these are. All are contained in section 32 of the Combines Investigation Act. Briefly put, that section of the act generally prohibits agreements among companies for the purpose of fixing prices, limiting quantity or quality of production and engaging in restraint of trade practices. Another portion of section 32 of the Combines Investigation Act—

Mr. Fulton: Mr. Chairman, I rise on a point of order. Is it in order to discuss the Combines Investigation Act on this bill? With respect to the amendment that has been moved I would have said it would be proper as an amendment to the Combines Investigation Act but not as an amendment to this bill. Accordingly, I must oppose the amendment in any event. But it seems to me it is out of order to get into a discussion of the Combines Investigation Act in discussing the amendment.

Mr. Howard: I am not getting into a discussion of the Combines Investigation Act.

Mr. Fulton: The hon. member is reading the Combines Investigation Act.

Mr. Howard: I am not. I just read an amendment of mine. I told the minister and the committee that these points are contained in section 32 of that act; that is where I got them. I was explaining the relationship of my amendment to that act to show that I was taking the words of the minister and putting them—

Mr. Fulton: Mr. Chairman, I am afraid I must insist on the point of order.

Mr. Howard: Do you mind if I speak to the point of order?

Mr. Fulton: I am speaking on a point of order.

Mr. Howard: Mr. Chairman, I wish to speak to the point of order.

The Deputy Chairman: Order. We have a minister and an hon. member on the floor at the same time. If the minister is rising on a point of order I should hear him out and then perhaps the hon. member for Skeena may speak to the point of order.

Mr. Howard: But the minister already rose on a point of order—

The Deputy Chairman: Order, please.

Mr. Howard: —and now he seeks to raise another point of order.

Mr. Macdonnell: Order.

Mr. Howard: Indeed.

Mr. Macdonnell: Yes, the rules apply to you, too.

The Deputy Chairman: Order. I gave the floor to the minister, who I believe rises on a point of order.

Mr. Howard: I rise on a question of privilege, Mr. Chairman. The minister rose on a point of order earlier. He offered his point of order and sat down. I rose to comment on the point of order and then the minister rose on another point of order. He can have only one at a time. That is why I said "Indeed" to my friend the hon. member for Greenwood. I was seeking the floor to comment on the point of order.

Mr. Macdonnell: Mr. Chairman, may I explain that the only reason I rose was because the hon. member for Skeena was on his feet at the same time Your Honour was on yours.

Mr. Howard: What about the minister?

Mr. Fulton: I am not on my feet.

Mr. Bell (Saint John-Albert): The minister is not on his feet.

Mr. Howard: Like other hon. members opposite, the minister does not like the rules applied to him.

An hon. Member: Neither do you.

Mr. Howard: This is evidenced by the minister's own statements appearing in *Hansard* on more than one occasion. In dealing with the point of order as to the propriety of this particular amendment I say again, as I said previously, that the bill in the title says that it is an act to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada. The minister says that in his interpretation this relates to the foreign control of our economy. I am submitting that providing for the reporting of financial and other statistics this amendment is perfectly within that ambit. In one instance we want the relationship—

[Mr. Howard.]

and I will read it again—between the operations of corporations reporting, as to the exchange of statistics between them. That is statistics. We mention the defining of product standards. It could be a statistic of the financial reporting of a corporation. We mention the exchange of credit information. Certainly that is statistical, and a definite matter relating to the operation of corporations. We mention the definition of trade terms and co-operation in research and development. All of these things are related to the bill. In fact, later on in clause 4 the minister wishes to find out particular questions about engineering, architectural, legal, accounting and auditing and consulting fees and charges and he quoted the Prime Minister talking about research statistics. Prices certainly are a question of statistics and financial matters. Quantity or quality of production is affected by this too. I submit to you, Mr. Chairman, that the amendment is not only perfectly in order because it is within the ambit of the title of the bill, but that it is perfectly in order as it relates even to an expression of the minister, namely foreign control of our economy.

It is even more in order when we realize that we should be more concerned about corporate price fixing control of our economy, if we are concerned about it at all. As the minister stated on second reading and since then, the question of foreign control is one of a great deal of importance to Canadians. It is something that he wants to find out about in this particular statute. But as I say, we should be equally concerned—and the bill provides for this equal concern—about the type of control that exists either within Canada as between corporations in Canada, or between corporations in Canada and corporations outside of Canada in so far as their constrictions on competition are concerned. I submit that price fixing, collusion, the setting up of production standards quantities and qualities are the order of the day in industry rather than the question of competition.

If I may be allowed to do so I should like to relate two or three references to this matter from a book by Professor Reynolds who is an associate in political economy in Johns Hopkins University. It is entitled "The Control of Competition in Canada". He has this to say about this question of the control of our economy. I am reading from page 17 where he states:

> It is safe to say that at least fifty price fixing trade associations are operating in Canada today, and the number may be considerably higher.

The price-fixing trade association certainly has an effect upon our economy and a far greater one than it has under foreign control.

The Deputy Chairman: If I may interrupt the hon. member just momentarily I should like to say that at this stage I am having some difficulty in relating what he is saying to the subsection of the bill that is at present under consideration. I know that he is speaking to his own amendment, and I have some doubt as to its admissibility, in some of its parts though not in all of them. On the other hand I felt if he related his discussion strictly to statistics I would have some difficulty in ruling it out of order. For that reason I allowed him to continue. Knowing this, if he would endeavour to co-operate with the Chair, I would appreciate it.

Mr. Howard: Very easily, Mr. Chairman, and very delightfully.

Mr. Fulton: Do you think he can be delightful?

Mr. Howard: It comes natural with me. I do not have to force myself, as do hon. gentlemen opposite. Let me read some statistical information from Professor Reynold's book entitled "The Control of Competition in Canada". I am reading from page 72. He talks about the use that is made of statistics and states this:

> Between 1929 and 1933 the prices of the monopolized goods fell by about 10 per cent while under price agreement the decline was about 13 per cent. Agreements thus seem to be able to resist downward pressure on prices almost as effectively as monopolies. Competitive prices on the other hand, fell by 36 per cent and the prices of farm products were cut in half.

This is an indication from Professor Reynolds as to the effect upon our economy of one kind of monopolized goods during that period of recession from 1929 to 1933 as compared with the prices of commodities which had administered prices, which had prices set by price agreements and by collusive arrangements. He compares these with so-called competitive prices in which there was no agreement, and points out that they fell almost three times as much and prices of farm goods were cut in half, in order to indicate that the farmer was at the complete mercy of monopolies and oligarchies and others engaged in price fixing arrangements I say that this is the sort of information the dominion bureau of statistics should have in order to bring to the attention of the government the full type of control that exists over our economy and in order to get to know the degree of foreign control which exists. I submit that we know that already by the dominion bureau of statistics figures to which I referred earlier this afternoon and which the minister poohpoohed as being of no value whatsoever. However, they are the figures which he himself used on second reading of the bill. I say that if we really wish to get to know what is affecting the economy and damaging our economy, we should not be concerned only with foreign control of corporations in Canada but must also concern ourselves with price fixing arrangements amongst companies within the country. Whether or not they are wholly owned Canadian companies or whether they are subsidiaries of foreign corporations does not matter too much in this regard. If they enter into price fixing arrangements they are having a detrimental effect on our economy. They are having a bad effect upon the farmers, who are completely at their mercy, and they are having a detrimental effect upon the consumer because they are draining off the consumer's purchasing dollar by price fixing arrangements which keep prices unnecessarily and arbitrarily high. We have had a number of instances in past years and I do not wish to go into them except to say that practically every major group of industry in Canada has been convicted under the combines act of engaging in price fixing conspiracies and setting prices arbitrarily high.

I therefore think that if this is a government that wishes to put into effect that which it preaches or if it wishes to practise what it preaches, I should think it would fall over backwards in order to accept an amendment of this nature. If it feels there are one or two items in here that are not within what it considers to be the proper ambit of the title of the bill, I submit that view is incorrect. Nevertheless it can object to them and we can consider whether or not one or two of them may be out of order. I submit they are all in order because they all fall within the title of the bill and they are all things that the bureau of statistics should know in order that the government may have a true, proper, clear and, as the minister said, precise picture of the forces which control the economy of Canada so that we may deal with them properly.

The Deputy Chairman: The committee has heard the amendment moved and read by the hon. member. Shall I dispense with reading it again?

Some hon. Members: Agreed.

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

Amendment (Mr. Howard) negatived: Yeas, 15; nays, 36.

The Deputy Chairman: I declare the amendment lost.

On paragraph (b).

The Deputy Chairman: Shall paragraph (b) carry?

Mr. Howard: No, Mr. Chairman. I think we had better proceed with paragraph (b) in the same way we did with (a), by taking the subparagraphs (i), (ii) and (iii).

The Deputy Chairman: Is it agreed that we consider paragraph (b) by Roman numeral reference?

Some hon. Members: Agreed.

On subparagraph (i).

Mr. Peters: Mr. Chairman, I am interested in (B) of subparagraph (i). In this case we are asking for a statement of income and expenditure for the reporting period, and I suggest this will give us an incomplete picture if that is all we get. I suggest that we want to know about the sales of a company within the country and also about its export sales. An example would be the Massey-Harris Company. Under the first part it would be able to say that it was a Canadian company and very likely the board of directors would be Canadian. Yet to get a clear picture of the financial position of the Massey-Harris Company it would be necessary to know the volume and amount of sales within Canada and also the amount and volume of sales outside Canada, with the amounts which would be returned in each case to the parent company. To accomplish this I move:

That part (B) of subparagraph (i) of paragraph (b) of clause 4 be deleted and the following substituted therefor:

"(B) a statement of income and expenditure for the reporting period with such income to indicate separately the amount received as a result of sales within Canada and sales other than within Canada, and"

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

Amendment (Mr. Peters) negatived: Yeas, 16; nays, 42.

The Deputy Chairman: I declare the amendment lost. Shall subparagraph (i) carry?

Mr. Pickersgill: Mr. Chairman, could we have the figures again?

[*And the Clerk Assistant having repeated the result of the vote*]

Mr. Pickersgill: Forty two.

Mr. Starr: Sixteen in both opposition parties.

The Deputy Chairman: Order. Shall subparagraph (i) carry?

Mr. Howard: Mr. Chairman, I am sure the record will show that we had more than 50 per cent of our members here.

Mr. Starr: The first time in two weeks.

Mr. Pickersgill: Fifty per cent of zero is zero.

[The Deputy Chairman.]

The Deputy Chairman: Shall subparagraph (i) carry? It includes (A), (B) and (C).

Mr. Caron: In (C) there is reference to a statement of surplus made up as of the last day of the reporting period. I should think it should be "surplus or deficit", because it is worth while knowing if there is a deficit. There might be a deficit instead of a surplus.

Mr. Fulton: Mr. Chairman, I think the word "surplus" is used in the accounting sense. Whether there was a surplus or deficit on the year's operations will be shown in the annual statement. This is what is called an internal surplus which is carried forward and therefore the total is adjusted from year to year. It does not have to do with whether there is a surplus or a loss on the year's operations. It is an accounting term.

Mr. Caron: Would it not be clearer to say "surplus or deficit"?

Mr. Fulton: I think, Mr. Chairman, there will be no doubt in the minds of those who are called upon to file these returns as to what is meant by this term, statement of surplus. You see, we have already required, under (B) the filing of a statement of income and expenditure for the reporting period. This will show whether there was an operating profit or an operating loss. Then, the third part, part (C), is a statement of surplus, and that is an accounting term which means the inner surplus carried forward from year to year. I am reminded that section 116 of the Companies Act clearly sets forth what is meant by a statement of surplus, so I do not think there will be any doubt in the minds of those who are called upon to file the return.

Subparagraph (i) agreed to.

Subparagraph (ii) agreed to.

On subparagraph (iii).

Miss LaMarsh: I do not know whether or not the committee proposes to deal with the subparagraphs, but since no one else rises I propose to rise in respect of (J) of subparagraph (iii). There is a matter I should like to bring to the attention of the minister who is piloting this bill through the house, namely, the matter of insurance. If, in fact, this committee is dealing with a bill, the purpose of which is to obtain information as it appears, then surely this is not just a matter of legislative peeping-tomism. Surely our purpose is to obtain information and, thereafter, if legislation is necessary to counteract anything, new legislation will be introduced. I would assume, from the opening speech made by the minister in introducing this bill to the committee, the purpose is to ensure that those who operate within Canada operate primarily for the

good of Canada. It would appear, then, that it is imperative that all members of the committee attempt to strengthen this bill and to obtain as much information as will be necessary to prove or disprove allegations which have been made in the past.

An allegation has been made to me, and I believe previously to the government in a brief submitted by the insurance company representatives in Canada, about the fact that there has been considerable financial blood letting of Canadian corporations which are foreign controlled by a peculiar device, in that where formerly these Canadian companies placed through local insurance agents or brokers insurance of various types such as life insurance, fire insurance and insurance on automobiles, not only on company fleets but on individual cars owned by individual employees, as a result of influence from United States head offices these policies have been withdrawn by gentle pressure from within the corporations. The employees in some cases have been influenced, and in other cases Canadian corporations have been influenced to place their insurance elsewhere.

In particular, without reference to the names of the corporations, which are Canadian corporations subsidiary to United States corporations, or to the insurance companies concerned, I should like to bring to the attention of the minister the fact that on at least two occasions this has happened in my own locality. Niagara Falls, as is generally known, is an industrial area and something like 2 per cent of the industries in the area are Canadian corporations. In the last few years, and I do not propose to say five years or four years or ten years, but in the last few years, this has happened. In one case, the local agents had written policies of fire insurance on local buildings and, in the process of a few months a pattern became obvious whereby the Canadian company began to cancel the insurance placed through the local agent and, in a large part, the Canadian company then began to place it through the head office. In some cases, the actual payment was not made by the Canadian subsidiary corporation to the United States head office corporation. This became a bookkeeping matter as between head office and the local office. The effect was that the Canadian insurers who had been serving these policies no longer receive the Canadian business.

In another, and much more flagrant case, the Canadian subsidiary corporation brought pressure to bear upon its employees in respect of their automobile policies on their privately owned automobiles. All of the employees were requested to cancel out their insurance, and they would receive the same benefits from a master policy which would be held by their Canadian employers. In fact, what happened was that the Canadian subsidiary placed a policy with another general insurance company which was not even licensed to practice within the province of Ontario, and those policies, as placed, cost the individual employees the same amount of money but for less coverage. As a result of the pressure within the company itself, no individual felt that he was in a position to resist. He thought as long as he got the same coverage it would be all right. In fact, all the premiums went to the United States corporation for which the United States head office, and not the Canadian subsidiary, received a very substantial reduction in its over-all fire insurance rates.

These allegations have been presented to me by a responsible officer of the association of fire and casualty agents in this country. If these allegations are correct, they might be the subject of some legislation. I noticed in going through the clauses that the department has not brought forward for the committee any suggestion in respect of insurance privileges. In the first place, I deprecate the phraseology of the motion which I have to put before the committee because I am not a drafter of legislation, but I should like to move at this stage, Mr. Chairman:

> That section 4(b) subparagraph (iii)(J) be amended by adding the words "including premiums or payments made for insurance coverage".

I would suggest, Mr. Chairman, that this is the only way in which we can ascertain whether or not the allegations which have been made are in fact correct or incorrect. If correct then, as in the case of all other information we obtain from the forms required to be filed under this statute, the committee will be in a position to prepare such legislation as may be required to alleviate the condition.

Mr. Fulton: I am grateful to the hon. member, Mr. Chairman, for having brought to our attention the fact that no specific mention is made in this particular portion of the bill of charges for insurance premiums, whether life, property or other. It seems to me this subparagraph (iii) of paragraph (b), is the part where the teeth of the bill appear. It is perhaps significant that hon. members in the far corner of the committee have not bothered as yet to make any reference to this, in view of the fact they have said the bill accomplishes nothing.

Mr. Howard: I rise on a point of order, Mr. Chairman.

The Deputy Chairman: The hon. member for Skeena rises on a point of order.

Mr. Fulton: Do you really think a point of order arises, Mr. Chairman, out of anything I have said so far?

Mr. Howard: My point of order is that the minister alleges or imputes motives—

Mr. Fulton: I am not imputing motives at all, I am making a statement of fact.

Mr. Howard: —and as a matter of fact, the minister was so secretive before that we just gave up in disgust.

The Deputy Chairman: There is no point of order that I can see in anything the hon. member for Skeena has said. The point he raises is a matter of debate, and he can make his contribution in that regard later.

Mr. Howard: You are entering into debate, Mr. Chairman.

Some hon. Members: Order.

Mr. Bell (Carleton): A totally improper remark.

Mr. Fulton: I was endeavouring to point out to the committee, when I was interrupted, that this is one of those parts of the bill which really has teeth in it. What does it do? It provides that corporations are required to furnish a statement—and this is the first time corporations in the history of Canada will be required to furnish such a statement —showing total amounts paid or credited by the corporation during the reporting period to persons not resident in Canada. This does not appear anywhere else in such specific form.

Let me observe also that with respect to the classes of companies mentioned in the schedule we can get at this information, but the fact remains that this is the first time it has been provided in specific form that corporations should report the amounts paid to persons not resident in Canada, as and on account of each of the following items. I am not going to read the whole list because it is before members of the committee. I think it would be interesting to those who read the report of this debate in *Hansard* to know in summary what we are going to require. We want to know what corporations pay to people outside of Canada on account of dividends, interest, rents on real property in Canada, rent on equipment used in connection with the business they carry on in Canada, royalties and similar payments including copyrights, patents, industrial designs and trademarks, payments for production, distribution and sales franchises, payments for advertising and sales promotion, and payments in respect of scientific research.

[The Deputy Chairman.]

We want to know what these companies pay to people outside Canada for scientific research. We want to know precisely what the situation is so that we can know what intelligent measures to introduce in order, shall I say, to encourage subsidiary companies in Canada to carry on their scientific research in Canada. We want to know how much they now pay outside Canada for that research.

We also want to know how much they pay to persons outside Canada in respect of product and process development research, how much they pay outside Canada for management and administration fees and charges, how much they pay outside Canada for salaries, fees and other remuneration to officers and directors, how much they pay outside Canada for annuities, pensions and similar payments, how much they pay outside Canada for fees and charges for professional services such as engineering, architectural, legal, accounting and auditing; because it is our view, in accordance with the statement made by the Prime Minister which I have already quoted in this house, that companies carrying on business in Canada, if they are foreign owned, or even if they are subsidiaries of foreign owned companies, should be good Canadians, and that it should be their policy to make these payments in Canada so as to encourage the development of research, management and consultant experience, architectural and engineering skills in Canada instead of paying all these sums to people outside Canada.

But before we can intelligently appreciate what is the situation and know what measures should be taken to bring about desirable changes, if it is necessary for the government to take those measures in order to accomplish that, we want to know what is the present situation and how much is paid outside. Therefore we have provided in this bill that for the first time the government in Canada will have the precise—and I do not hesitate to use that word nor do I apologize for it—the precise information as to what is going on now in these fields.

As I said at the beginning of these remarks, I appreciate what the hon. member for Niagara Falls has done in bringing to our attention that we had overlooked making specific provision that what is paid for insurance to persons outside Canada should also be required to be reported. It could perhaps be argued that it is covered incidentally under some of the other specific things we have provided for, but I do not argue that too strongly. It is acceptable to me, especially in the light of what the hon. member said, that we should make it clear that this heading, which may be a very important heading of

payment to persons outside Canada, should be covered specifically because certainly we have a very excellent, adequate insurance industry in Canada, including life, fire, casualty and other forms. It would certainly be our objective to encourage companies carrying on business in Canada, and profiting by their business in Canada, to place their insurance in Canada with Canadian companies. Therefore as a first step we should know how much they are paying for insurance to companies outside Canada. Accordingly I am prepared to accept the principle of the suggestion that the hon. member has made.

I wonder if the hon. lady would permit me, without being too precise and meticulous, to suggest that the objective could be accomplished better by introducing a separate subheading, rather than by lumping insurance with heading (J), as she tentatively suggested. If it would meet with the approval of the hon. lady I would be prepared to accept an amendment from her which would add, immediately after paragraph (I) of subparagraph (iii), on page 5, a new paragraph (J) which would read "premiums and other charges for or in respect of insurance," and then renumber paragraphs (J) to (N) as paragraphs (K) to (O).

Miss LaMarsh: I shall be delighted. I move the following amendment:

That the said bill be further amended by adding thereto, immediately after clause (I) of subparagraph (iii) of paragraph (b) of section 4 thereof, the following clause:

'(J) premiums and other charges for or in respect of insurance,'

and by renumbering clauses (J) to (N) of the said subparagraph (iii) as clauses (K) to (O) respectively.

The Deputy Chairman: Will the committee agree that the original amendment put forward by the hon. member for Niagara Falls was not put to the committee, and go right on as though this were the original amendment?

Some hon. Members: Agreed.

Amendment agreed to.

Clause 4 as amended, agreed to.

On clause 5—*Relieving provision.*

Mr. Fulton: I would ask one of my colleagues to move an amendment to this clause in accordance with the information I gave, to the effect that the said bill be further amended by substituting the words "dominion statistician" for the word "minister" in lines 30 and 43 on page 5 and in line 2 on page 6. I shall ask the Minister of Defence Production to move accordingly.

Mr. O'Hurley: I move the following amendment:

That the said bill be further amended by substituting the words "dominion statistician" for the word "minister" in lines 30 and 43 on page 5 and in line 2 on page 6.

Amendment agreed to.

Clause 5 as amended, agreed to.

On clause 6—*Offence.*

Mr. Fulton: There is the same amendment to this clause, to substitute "dominion statistician" in what I think is line 8.

Mr. O'Hurley: I move:

That the said bill be further amended by substituting the words "dominion statistician" for the word "minister" in line 8 on page 6.

6 Amendment agreed to.

Clause as amended agreed to.

On clause 7—*Demand by registered letter to officer etc. of corporation in Canada.*

Mr. Fulton: The same amendment will be moved to this clause by my colleague the Minister of Defence Production with respect to lines 21 and 25.

Mr. O'Hurley: I move:

That the said bill be further amended by substituting the words "dominion statistician" for the word "minister" in lines 21 and 25 on page 6.

The Deputy Chairman: Perhaps I might point out to the minister—

Mr. Fulton: The other word "minister" in line 23 does not need to be changed. There it will refer to the Minister of Trade and Commerce.

7 Amendment agreed to.

Clause as amended agreed to.

On clause 8—*Application of part II.*

Mr. Howard: Now that we have begun to discuss another part of this bill, the part in which its provisions are applied to unions, I think we should make some general comments as we did with regard to the provisions affecting corporations. If we assist the minister in the future by remaining silent on one or two clauses I hope he will not accuse us, as he did earlier, completely without justification, of not paying attention.

I may say that we do not consider so-called labour unions, or trade unions, as being foreign controlled or foreign dominated in the same terms as we think of corporations, inasmuch as labour unions are free associations of employees. With respect to a corporation there is usually an importation of capital into the country to establish something in the first place, or to buy up companies in this country or to invest money in them. A trade union or a labour union begins by organizing the members or the employees of a particular

company into an organization for their own protection and for the defence of their own interests as differentiated from those of the employer. So I say, as did my hon. friend from Timmins in his opening remarks on the second reading of this measure, that although these two elements in our economy, business corporations and unions, are contained in the same bill there is an essential difference between them. Any attempt to relate one to the other and to suggest they have the same impact upon our economy is not a fair and just comparison. However, they are dealt with in the same bill, and we must consider the matter in that light.

I said in my remarks on the earlier part of this bill that trade unions, as I know them, already file their collective agreements under the various labour acts which exist in the provinces and federally. They file their constitutions. These are public documents, and they enable one to see the true relationship of a local union in Canada to its parent body whether that parent body is in Canada or in the United States. We note that the Department of Labour publishes a monthly labour gazette which gives us a breakdown with regard to collective agreements and their contents. The Department of Labour also publishes annually a document called "Labour Unions in Canada" in which are set out the names of the unions, their officials, the number of locals which exist in Canada and all sorts of other relevant material about them. As I said before, we cannot think about these unions in terms of so-called foreign control; in this respect a comparison with corporations cannot be made. The autonomy of local unions—and this applies generally to all unions I know of—is far greater than the autonomy resting in any Canadian subsidiary of a United States parent corporation. The base of a corporation rests upon the authoritarianism of its managers and is related to seeking profits. The base of a labour union or a trade union—and I differentiate between the two—rests upon the individual members of that union, and these members are the controlling force. I do not know how much weight we can attach to the statement, but the Gordon royal commission recognizes this in its report. It made certain references to unions in the report and said, in effect, the same sort of thing as I have been saying. The commission found no evidence of unions in Canada which did not derive their authority from their membership. There is a vast difference between unions and corporations in this regard.

Thus I think that in this field the information which the government is likely to receive as a result of the requirements of part II of this bill will not help to achieve any object at all. It will not give the government any understanding of the forces at work in our economy. It will just give them, possibly, information which is not now readily available. One thing it would give, for example, is an indication of the sex of union members. Perhaps that is the sole purpose of the bill. Perhaps some bright person who drafted this bill said: Well, we are going to get all this other useless information so we might as well get the sex of union members, too. I cannot think what value that information will be. It may be thought that female members have more voice, more power in the affairs of unions than male members. I do not know.

I should like to quote some words by one who has been accused of being a member of the labour clique in this nation—one who, apparently, has some domination over this party. I should like to quote some comments by Mr. Bill Mahoney, national director of the United Steelworkers of America. His own words are as follows—there are a number of preliminary remarks, but he goes on to say:

> I know of no union which does not give regular and detailed financial statements to its members. Local unions, too, are constitutionally required to present financial reports and undergo periodic audits of their accounts. This can be verified by examination of union constitutions which are filed with the return referred to in paragraph (a) above.

I might as well refer to paragraph (a). It says:

> A considerable part of the data specified in section 10 (1) of the bill is already furnished annually to the Department of Labour and most of this is printed in the publication of the economics and research branch of the department, Labour Organization in Canada. The return on which this publication is based includes a list of all local unions with names and addresses of their secretaries. In addition, local unions furnish the names and addresses of their officers and the number of their members on cards circulated by the department.

Because he is the director, he talks about the united steelworkers in particular. I quote again:

> The united steelworkers of America, for example, prints twice a year the comprehensive audit report of its independent auditors, Main and Company of Pittsburgh. This report includes statements of income and expenses of the international office and the various district offices, together with a list of fees and dues received from each and every local union. Payments by and expenditures on the two Canadian districts of the union are readily ascertainable from the report. The report also lists the investments in securities and property by the international union.
>
> This report is distributed to every local union in the organization and is printed in our monthly newspaper, Steel Labor, which goes to every member and is available to the public. It is also released to the press. Recently we have been sending it to members of parliament.

This is the essential point:

The availability of financial statements of international unions operating in Canada has been pointed out again and again, in the press and elsewhere. Any demand for legislation on the matter has been part of a synthetic "smear labour" campaign. It is regrettable that the parliament of Canada should be made party to that campaign.

He speaks at length of other aspects of this question, but those are the salient points.

The information sought to be obtained under part II of which clauses 8 and 9 are a part will not contribute anything to the information of the government concerning control of our economy. As in the clause relating to corporations, as I pointed out earlier, the government already receives the information. I do not know why it is required in another form except perhaps to employ more statisticians. This is another indication of the uselessness of this bill.

As far as I can see, the only information the government will receive under this part relates to the sex of union members, how many are male and how many are female. I do not know of what value that would be. Perhaps someone has an interest in this question with a view to publishing statistics showing the number of male and female union members, but I cannot imagine that this would be of value in assessing the effect of foreign interests on our economy. That seems to be the only information that will be obtained under this part. I cannot become too excited in wondering why the minister desires this information.

Clause agreed to.

On clause 9—*Return to be filed with minister.*

Mr. Fulton: Mr. Chairman, I have two amendments to offer to this clause.

The Deputy Chairman: Will the committee agree to considering clause 9 by order of the Roman numerals rather than the lettered paragraphs? Is it agreed?

Some hon. members: Agreed.

Mr. Fulton: I would ask my colleague, the Minister of Defence Production, to move:

That the said bill be further amended by substituting the words "dominion statistician" for the word "minister" in line 4 on page 7.

Mr. O'Hurley: I so move.

Amendment agreed to.

Mr. Fulton: I would also ask my colleague the Minister of Defence Production, to move:

That subparagraph (v) of paragraph (a) of clause 9 be amended by adding after the word "nationality" the words "or citizenship" in line 22 on page 7.

Mr. O'Hurley: I so move.

Amendment agreed to.

Subparagraphs (i) to (v) inclusive agreed to.

On subparagraph (vi).

Mr. Howard: Under this subparagraph the government wishes to know the sex of union members. I see no reason for it although maybe someone has some interest in the matter. I wish to move an amendment which simply deletes the reference to the sex of the members.

Mr. Fulton: Is my hon. friend moving to strike out sex?

Mr. Pickersgill: The minister did that years ago when he sat on this side of the house.

Mr. Fulton: I never did.

Mr. Pickersgill: Don't you remember your comics?

Mr. Fulton: That was crime.

Mr. Howard: I merely wish to strike out the minister's public interest in sex.

I move:

That paragraph (a) of clause 9 be amended by deleting subparagraph (vi) therefrom and substituting therefor the following:

(vi) the name and address of each local union or branch of the union in Canada and the name and address of each officer of any such local union or branch.

The effect of this amendment is merely to delete the words, "and the number of male members and the number of female members of any such local union or branch".

Mr. Fulton: I am sorry, Mr. Chairman, but I have been provided with a copy of an amendment which would purport to amend subparagraph (v) in a manner in which we have already amended it. I understand that we are on subparagraph (vi).

Mr. Howard: I appreciate what has happened. So many flimsy copies of amendments of the minister and mine have been circulating that confusion was bound to result.

Mr. Fulton: I believe I have the point now. My hon. friend's amendment would strike out in subparagraph (vi) the words, "and the number of male members and the number of female members of any such local union or branch".

Mr. Howard: Correct.

Mr. Fulton: One could make either as much or as little of this point, Mr. Chairman, as one felt inclined. However, I do put this point before hon. members of the committee. If I understand it correctly, and I believe

I do, it is a matter not only of concern but pride in Canada generally, as well as in the union movement in Canada, that there is no discrimination in employment and that there should not be discrimination in employment on grounds of sex or on any other grounds on which discrimination would be improper.

It has been represented to us therefore that it would be a matter of satisfaction to the trade unions, in furnishing their official returns which here under section A would be open to public inspection and upon which no doubt many annual reports would probably be based, to show the extent of non-discrimination between the sexes in employment in Canada. To bring about that objective, it was necessary for us to specify that the number of male employees and the number of female employees would be shown in the returns.

It does not seem to me that that should give rise to the allegation of discrimination or of some desire to see discrimination on the part of the government which is presenting the bill to the house. All that we are doing is saying that in the return made the number of employees who are male and the number who are female will be stated so that we can see precisely what the position is.

If I were convinced that most of the people in Canada who work or are members of unions felt that this provision somehow or other indicated a desire to discriminate, then I would not attach all that importance to the provision and would be prepared to accept the amendment. However, I doubt that the hon. member has correctly stated the feeling in that regard. I do not think the workers who are members of unions will be greatly concerned because in the return the number of employees who are male and the number who are female have to be shown. I doubt that my hon. friend speaks for the workers of Canada in that regard.

In any event we think it is essential that the numbers of employees should be shown. I could not accept the amendment if only for the reason that it would have the effect of deleting the requirement that the number of employees be stated. Therefore on both grounds, Mr. Chairman, namely because with respect I do not think that the hon. member for Skeena has correctly interpreted the feeling of union members with regard to this question of whether the number of male and female employees should be stated and because his amendment would delete altogether the requirement for stating the numbers of employees, I must oppose the amendment.

Mr. Pickersgill: I should like to say a word about the hon. member's amendment. I do not think I could bring myself to support this amendment, as the Liberal party is for growth. It is obvious that in order to have adequate growth we must have both sexes and plenty of them. Speaking seriously, may I say that it seems to me that, if we are going to get this other information, there are many arguments for getting as much information as we can get, which is not going to cost anybody anything extra to provide, in order that we may have a better knowledge of our country and of all the social and economic aspects of it.

Mr. Howard: I should like to say this to the Minister of Justice when he talks about no discrimination. I may tell him that I worked in a logging camp for a few years and that I do not know of a logger in the country who would not like to have a number of female members in that organization. Perhaps this is what the minister wishes to promote. I do not know. However, the point is that some of these unions are not going to be able to ascertain this information.

The minister says that it is not a question of discrimination. If the minister says he wishes to have this provision in here in order to show that there is no discrimination, that is one thing. Perhaps what he is saying is that he wants this provision in so that statistics will show that there is no discrimination; but I do not know how he is going to get that from the loggers local of the I.W.A. which has 4,500 members to 5,000 members and when there is not a woman in a carload. Is that discrimination? How about the mining camps which may have women working there—

Mr. Fulton: If there are no women in that local, it should not be very difficult to make that return.

Mr. Howard: It should not be difficult to make a return, but is the minister going to say there is discrimination in this industry because they are not employing any women? By arguing this point so heatedly or by arguing in favour of listing male and female employees, I think what he is doing is giving us the intention or the reason for this bill, which is really a snooping one designed to pry into other people's affairs.

Mr. Peters: It is a fact that in most of these unions this provision is going to cause a bit of a quandary.

Miss LaMarsh: You mean you cannot tell the difference?

Mr. Peters: I know of no union which from a statistical point of view, is going to be able to tell this from most of the local union records. The membership card or the application in the initial stage states whether it is a

male or female employee, but in relation to dues and other considerations, there is no difference in the amount. They are numbers when the matter is reduced to this statistical proposition. Unless they change their requirements, their dues books and the method used for reporting in the local and sublocal offices, I am sure they will not be in the position to do this. I represent another section of the I.W.A. in which we have both men and women as union employees. As far as I know, with the exception of the application card, there would be no relationship unless you looked over the names and somebody in each reporting period decided whether this was a female employee or a male employee. This was never a consideration. No differentiation was made whether an employee was female or male. The situation is unlike that with regard to company records where often the wages were different for male and female employees. The union membership has not made this differentiation. I think this provision will be asking for something that is beyond what is now compiled in the report of the union where they would be normally reporting their membership in a statistical manner.

Mr. Pitman: I am going to appeal to the minister from another point of view. It would seem to me that this particular section would have nothing whatsoever to do with the main purpose of the bill which is to provide information as to external control. Is this not information which would already be available to the Minister of Labour? Surely the Minister of Labour would know the number of male members and the number of female members. Indeed, one would even wonder if you had the name and the address of the officers and so on; you would have at least that much from that area. But at the same time, is this not a duplication of information or a possible duplication of forms of which we were complaining so heatedly previously when we were talking about business? I would ask the minister whether this information is not already available to the Minister of Labour and to the Department of Labour and whether it could not be very easily acquired from that area.

Mr. Fulton: I do not know. It seems to me that, in the state of emancipation which Canada has reached today, the girls would probably like to be enumerated. I think it would be an affront to the women who work in Canada if we did not divide the number of employees as between male and female. Furthermore, I am told that for years, with respect to unemployment and employment, the statistical returns have been broken down as between male and female. I therefore do not think this requirement will be unwelcome to the unions who report under this provision.

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

Mr. Peters: How ridiculous this requirement can be is probably shown by the situation in the mining industry. It was mentioned that there were very few women employed in the mining industry, but I am sure the hon. member for Timmins can remember as I do stories about incidents that happened a little before my time. We remember the story of a woman working underground as a man and after a period of years becoming a machine operator. We also remember what happened when showers were installed at the Hollinger mine and it was found that several of the men who were working there were unable to take showers because it would reveal their sex. This would appear to me to be very snoopy legislation if it would produce the same result that was brought about by modernization in the mining industry.

Mr. Fulton: It appears to me quite obvious what the difference is between us on the government side and the members of the New Democratic party with respect to this question. In this matter we would have female employees at least listed as numbers while the members of the New Democratic party would make them ciphers.

Mr. Pickersgill: Mr. Chairman, I should like to put one question to the minister that has been raised in my mind by the last observation by the hon. member for Timiskaming. Will the government be satisfied with a superficial differentiation so that there will be no necessity of using showers or anything of that sort in order to get these statistics?

Mr. Fulton: I can assure the committee that the government will be prepared to accept a paper return and will not do any snooping, and if any doubt should arise in our minds we will call on the hon. member for Bonavista-Twillingate to resolve it.

Mr. Pickersgill: Mr. Chairman, I am sorry that the Minister of Justice should have made so immoral a proposal because the minister must have read the Senate and House of Commons Act and must realize that no member of parliament can receive a place of profit under the crown and keep his seat in this house.

Mr. Fulton: I would expect the hon. member to do this for nothing.

Mr. Pickersgill: This is just an indirect device on the part of the minister to try to get me out of parliament and it is not going to work.

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

Amendment (Mr. Howard) negatived: Yeas, 5; nays, 52.

The Deputy Chairman: I declare the amendment lost.

Mr. Howard: Vive la difference.

Subparagraph agreed to.

On subparagraph (vii).

Mr. Peters: I should like to ask the minister a question. In statements he made prior to the introduction of the bill he mentioned the fact that he had examined and given consideration to the United States legislation that applies to labour and management and the fact that it had in it a bill of rights for labour and management which had some effect on the presentation of information. If the government is sincere in wanting to know about some of the difficulties that may arise and certainly have arisen in the United States, this provision could be strengthened considerably and the provisions of the United States legislation might be applied in this instance. It would mean that there would be some guarantee against trusteeships being imposed for reasons not advantageous to the employees in a particular plant, or being imposed in a dictatorial way or for other than legitimate purposes. While the United States bill did a lot more snooping than the government appears to be interested in doing in the bill we have before us, in this instance their bill gave some protection to the employees and union members with relation to trusteeship.

In the main a trusteeship is usually justified for one or two legitimate reasons. It may be that the executive officers of the union have misspent or misused the funds of the local. In other cases the presiding body might put the local under trusteeship for failing to live up to the constitutional requirements as endorsed by the local. Then there are other abuses such as the maintenance of paper locals and so on.

In this instance the minister is asking for the name of each local union or branch of the union in Canada under a trusteeship imposed by the union, the date such trusteeship was imposed and the reasons therefor; and that is all. It would appear to me that the minister is not really interested in correcting the abuse. He wants to find out about it but to me it would seem very inappropriate to find out about the abuse and then do nothing about it. It may be that if a particular trend develops with regard to abuses in this field the minister may recommend to his colleagues or the dominion statistician may recommend to the cabinet, particularly the Minister of Labour, that there should be an amendment to the bill of rights or under some other statute to provide a remedy for some of the abuses that can take place in this field.

As well as having the name of the local union or branch of the union under trusteeship, the date that the trusteeship was imposed and the reasons therefor, I would think we should also have the names of the people who are the trustees, the amount of the remuneration they are receiving, the constitutional provisions that allow them to impose the trusteeship, the length of time the trusteeship has been in force and other pertinent information which, if it were available, would permit a certain amount of corrective action to be taken, even by the general public.

We have read about the investigations in the United States which have revealed that some unions were not operating in the interests of their membership. It was generally conceded that this was one field in which abuses were most evident and I believe the information asked for in this provision is not sufficient to alert the general public to the full ramifications of what happens under trusteeships, the purpose of trusteeships and what action the local people involved are able to take to reinstate themselves and remove the local from trusteeship or receivership, whichever it happens to be.

I am sure the Minister of Labour could assist in this regard. I suggest there is other information that would bring under public scrutiny some of the abuses that are inherent in the disallowance of constitutions and the imposition of trusteeships on locals by the executive officers of the parent body. I believe the constitutions themselves are deposited with the Minister of Labour and, in the main, they do cover some of the aspects of trusteeships. If the information were disseminated widely enough, these abuses would be brought to the attention of the general public and allow the general public to have some insight into what was happening in a particular trusteeship. I think this is in keeping with the thought behind the United States reporting bill, that protection can be given to individual employees in a particular plant where trusteeship might be imposed in a manner that was not advantageous to the employees, especially when there might not be an apparent method for getting out of the trusteeship.

Mr. Fulton: I appreciate the concern of the hon. member for Timiskaming with regard to this question of trusteeship and its potential abuses. May I ask him, in turn, to bear in mind that at present the purpose of this bill is to get information concerning what is happening in order to give us the basis upon which we can act to correct abuses. I would suggest to him that the proper place to correct such abuses as there may be in the labour field would be in the Industrial Relations and Disputes Investigation Act, in so far as authority lies within federal jurisdiction. In the same way, the place to correct abuses such as those to which reference was made a little while ago by the hon. member for Skeena in respect of certain activities of corporations, would be in the combines act and not in this bill.

I point out also that, in many respects, the authority to correct malpractices in this field of trusteeship lies in the provincial jurisdiction and not here. If I could get this point across, I should repeat that we have not purported to apply here remedies in this legislation. This measure has as its purpose to give us information on the basis of which remedies may be devised. Certainly, it was not the purpose here to bring in any specific remedy in respect of malpractices under trusteeship. What we wanted to do was to get information as to the circumstances under which trusteeships are imposed, because we understand it is frequently a very direct way of enabling international organizations to exercise direct control over the operations of a union in Canada. We want to find out the extent to which that is being done, and the circumstances under which it is being done. This will cover actually both the provincial and federal fields. When we have the information, then if it is indicated that there are undesirable practices my colleague the Minister of Labour can take action within the sphere of federal jurisdiction and the provincial governments will have the information which will enable them to take action within their sphere of jurisdiction to eliminate these undesirable practices.

Mr. Peters: I agree that certainly this bill has not gone so far as to take corrective action. The fact that trusteeships have been imposed appears now in a publication of the Minister of Labour, "Canadian Labour Organizations in Canada". This publication indicates how many locals are under trusteeship. Trusteeship is not imposed very often. In my personal experience, I have known several locals to be put under trusteeship. In most cases the reason was the inability of the executive officers to handle the finances of the local. They got themselves into a position where their expenditures were more than their revenues. I think this is a legitimate type of receivership or trusteeship, and is one that is temporary in nature.

However, other locals have, for no particular reason, been put under trusteeship and very little corrective action can be taken by any government, by any authority or even as a result of the knowledge of the public themselves, unless the background circumstances for the trusteeship are given. I think this information should be included in this section. I am aware that the majority of unions use the trusteeship provision in a limited way, and many of them do not use it at all. Those that have used it can usually point to a constitutional clause and I think this information should be included in their return.

Mr. Fulton: May I point out to the hon. member that the clause under discussion does state that that information will be required. The provision refers to precise information as to the date such trusteeship was imposed and the reasons therefor. They will have to give us those reasons and, in this way, we will be able to amass information as to the kind of circumstances which are being relied upon, the kind of control which is being exercised, and whether it is with justification or without, whether there is a constitutional weakness or just what weaknesses, if any, give rise to an undesirable situation. I must emphasize that this information will be in the public portion of the return.

Subparagraph agreed to.

Subparagraph (viii) agreed to.

Mr. Howard: There is a point I should like to raise here in respect of adding a new subparagraph (ix). I do so not only from the point of view of being consistent with the amendment which was moved to the section dealing with companies in connection with their contributions to political parties, but because we have some interest and concern about the matter. I should like to move an amendment substantially the same as the one which was rejected earlier this afternoon. I move:

That the following be added as subparagraph (ix) of paragraph (a) of clause 9

"(ix) the names and addresses of any

(a) candidate for election as a member of the House of Commons, a member of the legislature of a province or a member of the council of the Yukon Territory or the Northwest Territories, and

(b) political party to which any money, securities, or equivalent of money was contributed or loaned and the amount thereof that each such candidate or political party received and showing as to each amount whether it was in money or otherwise and whether as contribution, loan, advance, deposit or otherwise and if a loan the terms thereof and whether the loan has been repaid, and"

Mr. Fulton: I am sure the committee will appreciate that there are many of us who would be interested in getting these returns. However, the hon. member for Skeena will appreciate our impartiality as well in that, having rejected this amendment when it was sought to be applied to companies, we reject the amendment when it is sought to apply it to unions. It is not appropriate in either case under this bill. It might be appropriate as an amendment to the elections act or some other statute.

Mr. Howard: I wonder if I might make one comment? The minister gave himself away in respect of impartiality when he said that many of us would be interested, including himself, in seeing this. The minister would like to stick his nose into the contributions by unions, but when it comes to his pets, the corporations in Canada, oh no: he holds up his hands in horror and says, for heaven's sake, don't dig into the places from which we get our dough. We in this party are consistent and we think all these things should be brought to the attention of the public.

Mr. Pickersgill: Before the amendment is voted on I would like to say that for the same reason we supported the amendment in relation to companies we shall be consistent, perhaps not intelligently in the hon. gentleman's opinion, in supporting this amendment. However I must say that I believe my hon. friend from Hull said earlier that he was not absolutely sure this was really the right legislation in which to put this, but there seems to be no good reason it should not be put in here if the committee wants it put in here.

Personally I think all this information would be very interesting to all of us in the house. Whether it would be helpful to us is another matter, but it would be interesting and would satisfy our curiosity in the case of both unions and companies. However it seems to me that all this does is illustrate how wise is the party I belong to in advocating a totally new method of financing elections instead of these antiquated methods about which hon. gentlemen are now seeking belatedly to get information.

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

Mr. Howard: I would only say the wiseness of the hon. gentlemen in the official opposition seems to be one that developed as of late, and only after defeat.

Mr. Pickersgill: I would advise the hon. gentleman, who is probably going to be seeking the suffrages of the electorate, that when he gets support he would be well advised to take it and not question it.

Amendment (Mr. Howard) negatived: Yeas, 14; Nays, 34.

Paragraph (b), subparagraphs (i) and (ii) agreed to.

Clause 9, as amended, agreed to.

On clause 10—*Relieving provision.*

Mr. Fulton: On clause 10 there are two further amendments to be moved by my colleague, the Minister of Defence Production, to the effect that the words "dominion statistician" be substituted for the word "minister" in lines 25, 37 and 43.

Mr. O'Hurley: I move the following amendment:

That the said bill be further amended by substituting the words "dominion statistician" for the word "minister" in lines 25, 37 and 43 on page 8.

Amendment agreed to.

Clause 10 as amended, agreed to.

On clause 11—*Offence.*

Mr. Fulton: May I ask my colleague to move the same amendment with respect to the word "minister" in line 1 on page 9?

Mr. O'Hurley: I move the following amendment:

That the said bill be further amended by substituting the words "dominion statistician" for the word "minister" in line 1 on page 9.

Amendment agreed to.

Clause 11 as amended, agreed to.

On clause 12—*Demand by registered letter to officer, etc. of union in Canada.*

Mr. Fulton: May I ask my colleague to move a similar amendment with respect to the word "minister" in lines 23 and 29, but not on line 25?

Mr. O'Hurley: I move the following amendment:

That the said bill be further amended by substituting the words "dominion statistician" for the word "minister" in lines 23 and 29 on page 9.

Amendment agreed to.

Clause 12 as amended agreed to.

On clause 13—*Information available for inspection; fee for inspection.*

Mr. Howard: Mr. Chairman—

Mr. Fulton: May I, with the permission of the hon. member, ask my colleague to move a similar amendment? This amendment would be to substitute the words "Secretary of State" for the word "minister" in line 40 and to substitute the words "Minister of Labour" for the word "minister" in line 2 on page 10.

Mr. O'Hurley: I move the following amendment:

That the said bill be further amended by substituting the words "Secretary of State" for the word "minister" in line 40 on page 9 and by substituting the words "Minister of Labour" for the word "minister" in line 2 on page 10.

The Deputy Chairman: Shall this amendment carry?

Mr. Howard: Could the minister tell us what is the effect of this amendment? What is the Secretary of State going to do?

Mr. Fulton: This is a clause based on the fact that copies of part A of the returns filed by both companies and unions with the dominion statistician will be forwarded to the Secretary of State and the Minister of Labour respectively. Under clause 13, now before us, these two ministers will designate an office in their respective departments where these returns will be kept under circumstances where they are available for inspection by any member of the public on payment of the requisite fee.

Mr. Howard: I appreciate that perhaps the government is in great need of money and would like to charge as much as it can for this information to offset the cost of getting it. The clause provides that the fee shall not exceed one dollar, but it seems to me a dollar is a rather substantial amount for someone who wants to search the records and who will find information of so little value. The minister said that 25,000 corporations would be filing returns, and I do not know how many unions there will be. Perhaps the minister has an assessment of their number, but I imagine it would be quite a substantial number.

Should a member of the public want to make a rather extensive search of this information, for some outside purpose rather than a government purpose, and was charged a dollar in each case, then obviously it would cost him $25,000 to make a complete search of all the statements filed by corporations. There would also be a considerable amount of money involved in searching the returns filed by unions. To me a dollar seems an exorbitantly high charge for the small amount of information which will be gleaned from these returns, though perhaps for a dollar charge the information gained in part (B) might be worth while, although I doubt that also. Presumably this information to be supplied under part (A) is public information, so why not make it available to the public upon request rather than soak people for a buck so that they might find out for argument sake, the number of males and the number of females within a particular union or the number of shares that might have been issued with respect to a particular company. A dollar seems far too much to charge for the information which will be available.

Mr. Fulton: I assure the committee that this amount provided here, which, it should be noted, is the maximum fee, not the prescribed fee, is not intended to enable the government to make a profit but merely to cover the cost of maintaining the necessary physical equipment plus the filing, indexing, and so on which will enable the information needed to be located when someone comes in and wishes to inspect it. I shall do my best to persuade my colleague the Minister of Finance, or whoever has the final word with respect to the regulations, to keep the fee to a minimum rather than set it at a maximum of one dollar. If we find as time goes on that there is a profit and that it is an unreasonably high amount, we can reduce it.

It is about four years, now, since I actually practised law, but certainly my recollection is that this fee compares very favourably with fees payable under any of the provincial companies acts for similar services.

Mr. Howard: Again I say it is a pretty high charge to make. Even it were ten cents it would be a high charge to make for the information that is going to be obtained.

Mr. Peters: Is it intended to have one department completely responsible for this information and for publishing statistics in connection with it? Almost every government department has a large conglomeration of information on directorships, ownership of shares and so on—I am thinking particularly of the branch concerned with the supervision of insurance companies. This information is published every year, possibly not in as much detail as we are seeking here. If we were to publish the information we hope to obtain by reason of this bill and make it available for a dollar or two dollars, it might have a certain usefulness and I believe this would be a better way of handling it than the present intention merely to make it available upon payment. If the minister is sincere in his desire to have this information as widely distributed as possible, he might consider this suggestion. We have a library here. I am sure 90 per cent of the people do not go into it, because you can bury anything in those shelves. However, this information could be made available there for scrutiny.

I would strongly recommend that we publish this information on a yearly basis. If there are 25,000 companies affected we might have a fairly heavy document of 500 pages, but it would be available by purchase for those who needed it, if this bill is to serve any purpose at all. The publications media

across the country would be able to use it as background information if it were available in this way. If it is not distributed across the country, a predominance of attention is likely to be paid to it by Ottawa correspondents and other people living in Ottawa such as those connected with the universities in this area; there will not be a national distribution of this information, and I think that if the results are to be effective it should be available on a national basis.

Amendment agreed to.

Clause as amended agreed to.

On clause 14—*Privileged information; prohibition against communication.*

Mr. Fulton: There is a substantial amendment to be moved in connection with this clause. Perhaps I could read it and distribute it now; it would then be available for consideration overnight, and discussion tomorrow—unless the hon. member for Megantic has an urgent question to ask.

Mr. Roberge: I was about to ask the chairman if the committee would be agreeable to proceeding paragraph by paragraph in the next clause. I myself will have some amendments to offer. Maybe the amendment proposed by the minister will cover the same ground.

Mr. Fulton: I am sure the hon. member will find that the amendment I propose will take care of many of the ideas he has in mind. Certainly I shall be agreeable to proceeding paragraph by paragraph as we have done in earlier clauses.

Mr. Chairman, it is one minute to ten, and perhaps the committee would consent to the amendment I shall ask my colleague the Minister of Veterans Affairs to move being taken as read. It would then be available to hon. members tomorrow.

The Deputy Chairman: Is it agreed that this amendment be taken as read for the purpose of having it recorded in *Hansard*?

Some hon. Members: Agreed.

Mr. Churchill moved:

That the said bill be further amended by striking out subsections (3) and (4) of section 14 thereof and substituting therefor the following:

Idem.

"(3) Subsections (1) and (2) do not apply in respect of proceedings relating to the administration or enforcement of this act.

Exception re employees of dominion bureau of statistics.

(4) An official who is an officer or other person employed in the execution of any duty under the Statistics Act or any regulation thereunder may

(a) communicate or allow to be communicated to any other such official any privileged information obtained under this act, and

(b) allow any other such official to inspect or have access to any statement or other writing containing any privileged information obtained under this act.

Exception re other persons for purpose stated.

(5) Any official or authorized person may, for any purpose relating to the determination of policy in connection with the formulation of any law of Canada or the ascertainment of any matter necessarily incidental thereto,

(a) communicate or allow to be communicated to any other such person any privileged information obtained under this act, and

(b) allow any other such person to inspect or have access to any statement or other writing containing any privileged information obtained under this act.

Use of information.

(6) Notwithstanding anything in this section, in no case shall any privileged information obtained under this act be communicated to any person for the purpose of facilitating the institution or furtherance of any proceedings brought or taken or that may be brought or taken under any law of Canada other than this act."

and by renumbering subsections (5) and (6) of section 14 thereof as subsections (7) and (8), respectively.

Clause 14 stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I wonder if I might ask the leader of the house if in indicating the business which the government proposes for tomorrow he could also, as he sometimes does when he is in a benevolent mood, give us a bit of a preview of next week.

Mr. Churchill: I anticipated that we would have finished this bill today, plus the supplementary estimates, and I was going to call for tomorrow the resolution in the name of the Prime Minister dealing with the electoral boundaries commission. However, we shall have to carry on with the present bill, Bill No. C-38, and complete it tomorrow, followed by supplementary estimates; except that I reserve the right to call, after Bill No. C-38, the resolution in the name of the Prime Minister if, on consultation with him in the morning, it is indicated that he would like to go ahead with it. If that be the case, I will of course advise both parties.

Mr. Pickersgill: Did I understand the minister to say that will be called as the first item?

Mr. Churchill: No; this bill will be the first item, Bill No. C-38.

Mr. Pickersgill: What about next week?

Mr. Churchill: Oh, well, I am not in a benevolent mood so I cannot go into that.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, April 6, 1962

The house met at 11 a.m.

PRIVILEGE

MR. PICKERSGILL—REFERENCE TO REPORT IN OTTAWA "JOURNAL"

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I rise on a question of privilege arising out of an item which appeared in the Ottawa *Journal* of last evening, which states "Denies Liberal Protests". I am not going into it and waste the time of the house. It purports to suggest that I came out of a committee sitting in camera yesterday and disclosed what was going on in committee. I was called out of the committee, and all I said was that I did not know what the person who asked the question was talking about. I made no disclosure at any time, and I simply wished to set the record straight.

TRADE

SUMMARY OF INDIRECT BENEFITS TO CANADA FROM U.S. TARIFF NEGOTIATIONS

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I wish to table three copies, in English and French, of a document summarizing the tariff concessions of interest to Canada arising from the United States negotiations with countries other than Canada during the GATT tariff conference. On March 7, 1962 the Minister of Finance tabled the interim agreement between Canada and the United States. At that time he indicated that in addition to the agreement with Canada the United States had concluded negotiations with several other countries, and that the details of the indirect benefits accruing to Canada from these other arrangements would be made public when the results had been analysed.

This information will be found in the document I am tabling. In addition to direct United States concessions to Canada covering $65 million of Canadian trade, the United States made concessions to other countries on items affecting $85 million of Canadian exports to the United States in 1960, mostly manufactured articles. Moreover, concessions granted to the United States by the European economic community cover approximately $140 million of Canadian trade with the community. Canada will also benefit from a number of tariff concessions granted to the United States by Finland, Norway, Portugal, Switzerland and Peru.

Mr. Speaker: Has the minister leave to table the document tendered by him?

Some hon. Members: Agreed.

(Translation):

SHIPPING

ST. LAWRENCE RIVER—GOVERNMENT ACTION IN DISPUTE RESPECTING PILOTS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to put a question to the Minister of Transport.

In view of the disastrous effects the pilots' strike might have on the Canadian economy, does the minister intend to call them to Ottawa immediately in order to consider the grievances they brought before him?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I asked the officials of my department today to get in touch with the pilots and the shipowners so that both parties might be brought together today. As hon. members know, requests were made by the pilots to the shipowners, and the latter will have to pay the costs. That is why I think that pilots and shipowners should get together.

Mr. Chevrier: Mr. Speaker, a supplementary question. Under the Canada Shipping Act, it is the Minister of Transport who is the authority with respect to pilotage in Canada. Therefore, I feel it is his duty to convene the pilots to Ottawa without delay.

Mr. Balcer: Mr. Speaker, that first step will be taken to begin with.

(Text):

Mr. D. M. Fisher (Port Arthur): I should like to ask a supplementary question. Has the minister received any communication or protests from the United States authorities in charge of shipping with regard to the strike, and if so what answer has been given to indicate to the United States authorities the likely duration of the strike?

Inquiries of the Ministry

Mr. Balcer: Mr. Speaker, when I left my office this morning I had not received any protest or any communication from United States shipping authorities.

[*Later:*]

(Translation):

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, is there any truth to the reports which appeared in this morning's papers to the effect that in order to reduce its expenses and following pressure from the treasury board, the Department of Transport has asked pilots to contribute part of their salaries to the purchase of aids to navigation for the maintenance of the St. Lawrence seaway?

Mr. Balcer: Mr. Speaker, such a request was made about a month ago. We asked the pilots to consider the possibility of contributing to the purchase of a launch to carry the pilots from the wharf at Les Escoumains to the ships which pass at that place. That craft would be for the exclusive use of pilots. Officials of my department have inquired with the pilots as to the possibility of their contributing to the purchase of such a boat which would be for their exclusive use.

Mr. Deschatelets: Did the officials of the department receive a reply from the pilots concerning that suggestion?

Mr. Balcer: Yes, Mr. Speaker, the suggestion was turned down by the pilots.

(Text):

INQUIRY FOR RETURN

HYDRAULICS DIVISION, WATER RESOURCES BRANCH, NORTHERN AFFAIRS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Northern Affairs and National Resources because I have quite a number of constituents who have been waiting for this information. In view of the fact that my question No. 229, which asked for biographies and information on half a dozen members of the water resources branch of the minister's department, was passed as an order for return on March 12, as recorded on page 1694 of *Hansard* for that date, could the minister let me know the reasons for the delay in providing this information, and whether the apparent dam has anything to do with United States influence?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): I can assure my hon. friend that very careful attention has been given to this matter. As a matter of fact the biographies of the personnel have been researched very carefully, so he can assure his constituents they will have all the necessary information. I do not believe I should comment on the latter part of the question because I do not want to create an international incident.

[*Later:*]

Mr. Speaker: Order. The hon. member for Kootenay West.

Mr. Herridge: Mr. Speaker, I have a supplementary question to ask the Minister of Northern Affairs and National Resources, which was delayed because of the intrusion of this teachers' problem. Will I get the information I seek in time to use my frank in sending it out to my constituents?

Mr. Dinsdale: I can assure the hon. member on that point. We should have it by next week, as a matter of fact.

PUBLIC SERVICE

NORTHWEST TERRITORIES—ALLEGED POLITICAL ACTIVITY OF PUBLIC SERVANTS

On the orders of the day:

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): I should like to reply to a question asked yesterday by the hon. member for Bonavista-Twillingate. The hon. member drew my attention to an editorial entitled "Is This the Way to Campaign", which appeared in the March 15 issue of *News of the North*, a weekly paper published by one of the more prominent members of the Liberal party in the town of Yellowknife.

I have now had an opportunity to examine this editorial, and I think it is fair to say that the interpretation of the situation is a Liberal one and therefore somewhat distorted. It refers to a school teacher at Hay River and a welfare worker of my department at Fort Smith, who are seeking the Progressive Conservative nomination for the Northwest Territories. It suggests that the position of these two potential candidates would be quite different if they were seeking the Liberal nomination.

I do not want to make any obvious comment on that, and I will leave it to hon. members to draw their own conclusions. I can assure my hon. friends that my department has a single and consistent policy that is applied uniformly whenever it is found that a civil servant is engaged in partisan work. This policy is dictated by law under section 61 of the revised Civil Service Act, which provides that civil servants are not to engage in partisan work in connection with any federal or provincial election. Civil servants who are nominated or who are actively seeking nomination are asked to resign and, failing that, are subject to dismissal following a full and proper inquiry to protect them against unjust dismissal.

The civil servant in question, Mr. Eugene Rheaume, acted quite honourably and resigned of his own accord well before nomination day which, according to *News of the North*, has yet to be held.

The case of the school teacher, Mr. John Scott, is quite different. He is not a civil servant and therefore not subject to section 61 of the Civil Service Act. As my hon. friend knows, education in Canada is a provincial matter and teachers in the north, while recruited and paid by the federal government, are really carrying out a territorial responsibility.

There is a long established tradition in this country that school teachers in the provinces are free to seek election to federal or provincial office, and we have not wished to discriminate against territorial teachers by denying them any of the privileges enjoyed under the provincial school systems from which they are normally recruited. The house will recall that the rights of school teachers in this respect were championed in a long, uphill and eventually successful battle by a respected member of this house, the former leader of the C.C.F. party, Mr. M. J. Coldwell, one of the many school teachers who over the years have rendered distinguished service in this house.

However, Mr. Speaker, in order to be completely above suspicion I understand that the school teacher concerned in this instance is going to seek leave so that no aspersions or suspicions can be cast on his activities. I can only add, Mr. Speaker, that if either of these gentlemen is successful in obtaining the Progressive Conservative nomination—

Mr. Hellyer: He will be sorry.

Mr. Dinsdale: —he will be the next member of parliament for the Northwest Territories.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wish to put a supplementary question to the Minister of Citizenship and Immigration and ask the hon. lady whether the position with respect to teachers, which the minister of northern affairs has enunciated in the case of teachers in the territories, is also applicable to the teachers in the Indian schools under the hon. lady's jurisdiction.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I cannot give a definite answer to that because—

Mr. McIlraith: You sure cannot.

Mrs. Fairclough: What did the hon. member say?

Mr. McIlraith: I said you sure cannot.

Mrs. Fairclough: Perhaps the hon. member can wait until I have finished my remarks, instead of casting in his little asides. The hon. member for Bonavista-Twillingate knows that all the teachers who teach Indian students are not employees of the department. Some of them are under the provinces.

Mr. Pickersgill: I was only asking about those who are.

Mrs. Fairclough: But if they are civil servants they come under the regulations of the Civil Service Act.

Mr. Pickersgill: May I put a supplementary question to the minister of northern affairs and ask if he could say whether a government chartered aircraft, with welfare workers aboard, is making a tour of the eastern Arctic?

Mr. Dinsdale: Mr. Speaker, this is not a supplementary to the question under consideration, and I have no knowledge of this situation. Was this reported in *News of the North* too?

Mr. Pickersgill: On a point of order, I am seeking information that has been raised as a result of the hon. gentleman's answer. I am abiding by the rules in seeking this information. Would the minister find out whether this is correct?

Mr. Speaker: Since the hon. member wishes to discuss the matter as a point of order, I agree that it was not a supplementary question. However, it has been asked, and if the minister wishes to answer it he is at liberty to do so.

Mr. Churchill: Put it on the order paper.

Mr. Dinsdale: Mr. Speaker, my only further comment is that I was also seeking information—

Mr. McIlraith: You have no right to do so.

Mr. Dinsdale: —because I would like to know the basis for this question.

(Translation):

TRANSPORT

SOULANGES CANAL—INQUIRY AS TO TRANSFER TO QUEBEC

On the orders of the day:

Mr. Marcel Bourbonnais (Vaudreuil-Soulanges): Mr. Speaker, I should like to direct a question to the Minister of Transport.

Could the minister tell us if he has received a reply from the provincial authorities, following the order in council passed by the

federal government for the transfer of the Soulanges canal to the province of Quebec? If so, could he acquaint the house with the nature of that reply?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, on February 26, I wrote a letter to the Quebec government authorities in which I included a copy of the order in council transferring to the province of Quebec the ownership and administration of the Soulanges canal.

In that letter, I requested a copy of the order in council passed by the government of the province of Quebec to authorize the acceptance of the transfer, but I have yet to receive a reply.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to ask a supplementary question. How does the minister account for such negligence on the part of the provincial authorities in this matter?

Mr. Tremblay: They have no money.

Mr. Johnson: They are bankrupt.

(Text):

COMMONWEALTH CONFERENCE

INQUIRY AS TO DATE OF MEETING OF PRIME MINISTERS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister whether he has received an invitation from the Prime Minister of the United Kingdom to a commonwealth prime ministers' conference on September 10, or some other date in September; and if so, what reply he has given to that invitation?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there have been communications between the Prime Minister of the United Kingdom and the various prime ministers of the commonwealth asking their opinions on the subject of a date for a prime ministers' conference and also asking whether, having regard to various circumstances, and in particular to the fact that discussions with relation to the common market application of the United Kingdom will under normal circumstances not be completed before late summer, a date in September would be satisfactory.

The attitude taken by the Canadian government is that, having had from the government of the United Kingdom the assurance that no final decision in connection with their application will be determined by the United Kingdom government until such time as a commonwealth prime ministers' conference has had the opportunity of looking into the matter, considering its implications in general and hearing the views of the United Kingdom government, the date would be satisfactory.

Mr. Pearson: Does the Prime Minister not think that if the conference is to be held in September he should consult with his successor before replying to the invitation?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Mr. Speaker, hope springs eternal in the breast of the opposition. My experience in the last two days has been that the hon. member's expectations are not going to be realized.

Some hon. Members: Hear, hear.

LABOUR CONDITIONS

BELL ISLAND, NFLD.—LAY-OFFS OF MINERS

On the orders of the day:

Mr. J. A. McGrath (St. John's East): Mr. Speaker, I have a question for the Prime Minister, but before asking it perhaps the house would permit me to draw to its attention the presence in the gallery of members of the young Progressive Conservative association of Canada.

Some hon. Members: Hear, hear.

Mr. Speaker: Order. I take it that the hon. member is not spying strangers, and I shall not have to put the question.

Mr. Pearson: On a point of order, Mr. Speaker, surely you should not permit this kind of obstruction of the work of the house.

Some hon. Members: Oh, oh.

Mr. Jones: They certainly stand between you and office, anyway.

Mr. McGrath: May I direct a question to the Prime Minister. Has he received a request from the acting premier of Newfoundland seeking the co-operation of the federal government in appraising the very serious situation existing at Bell island as a result of the lay-offs there by Dosco, with a view to the provision of federal assistance? If so, is the Prime Minister in a position to report at this time?

Right Hon. J. G. Diefenbaker (Prime Minister): There was a communication in that regard and Mr. Roy MacCuish, assistant director of the vocational training branch of the Department of Labour, will go to Newfoundland to discuss with officials of the government of Newfoundland possible solutions to the situation at Bell island.

ST. LAWRENCE RIVER—GOVERNMENT ACTION IN DISPUTE RESPECTING PILOTS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Minister of Labour and ask him what action his department is taking to bring about a settlement of the dispute between the shipping federation of Canada and the St. Lawrence river pilots?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, this matter does not come under the Industrial Relations and Disputes Investigation Act.

TRADE

TEXTILES—REPORTED INCREASE IN JAPANESE QUOTAS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Finance and ask him if it is a fact that Canada has agreed to a moderate increase in the voluntary export quotas which Japan will impose on shipments of textiles to Canada this year.

Hon. Donald M. Fleming (Minister of Finance): No, there has been no agreement yet. These matters have been under discussion for several months, and when there is a determination of the question it will be made public.

PUBLIC BUILDINGS

OTTAWA—REQUEST FOR EXTENSIVE USE OF CANADIAN WOOD

On the orders of the day:

Mr. J. R. Garland (Nipissing): I wonder if I could ask the Acting Minister of Public Works if he is now in a position to answer the question I put to him on Wednesday, in which I asked that the greatest possible use of wood should be made when putting up government buildings in Ottawa.

Hon. Howard C. Green (Acting Minister of Public Works): I thought I had dealt with that question the other day. However, the suggestion made by the hon. member has already been considered by the Department of Public Works, and I believe that Canadian wood will be used to the maximum possible extent.

[*Later:*]

Mr. Paul Tardif (Russell): May I direct a question to the Minister of Forestry. Did the minister take any action to satisfy the demands or the protests of the lumber industry of Canada in connection with the proposed forest products research building being built on Montreal road and designed almost entirely devoid of lumber? Would the minister assure the house and the lumber industry that this state of affairs will be rectified?

Hon. H. J. Flemming (Minister of Forestry): The representations which have been made by the lumber industry concerning the building in question have been given the utmost consideration. There are various technical features in connection with this building, however, which must also be taken into consideration by the Department of Public Works. The hon. member may be sure, though, that the representations which have been made have received the greatest degree of consideration as far as the Department of Forestry is concerned.

INDIAN AFFAIRS

PROPHET RIVER RESERVE, B.C.—REQUEST FOR REPORT ON INVESTIGATION

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to ask the Minister of Citizenship and Immigration whether she has yet received a report from Indian commissioner Boys in British Columbia with respect to the situation at the Prophet river reserve north of Nelson.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): A report has not yet been received, but we are expecting one any day now.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I direct a related question to the Minister of National Health and Welfare and ask if he saw a report in last night's Ottawa *Journal* to the effect that Dr. Cunningham, who was sent by his department to investigate this situation, had not gone on from Prophet River to Fort Nelson to inspect the records there of the doctor who had given the first assistance to the Indians who were ill on the reserve, and if he can say whether that report is correct?

Hon. J. W. Monteith (Minister of National Health and Welfare): I did see the report referred to. As I indicated to the house the other day, the doctor who acts on behalf of the department in the area did visit the reserve last Saturday and his report, which I gave to the house, was reassuring. Dr. Barclay, head of the Pacific region of Indian and northern health services, has been very concerned about this matter and is keeping a close watch on the situation.

Inquiries of the Ministry

HEALTH AND WELFARE

REPORTED EXCESS OF VITAMIN D IN FOODS

On the orders of the day:

Hon. J. W. Monteith (Minister of National Health and Welfare): On Tuesday last the hon. member for Skeena asked for my comments on statements attributed to Dr. William Cochrane, of Dalhousie University, concerning the amounts of vitamin D in foods. This subject has been under discussion in my department for some time, and consideration is being given to the possibility of amending the regulations under the Food and Drugs Act to limit the addition of vitamin D to certain specified foods.

In connection with the possibility of excess vitamin D being taken by individuals in foods and medicines, the regulations under the Food and Drugs Act were amended last year to reduce the amount of vitamin D in medicinal vitamin preparations to one half the previous level. In view of the concern over the indiscriminate addition of vitamin D to foods, the matter is under current discussion with the Canadian council on nutrition.

Mr. Frank Howard (Skeena): Can the minister say whether the same concern is being exhibited by his department with respect to the so-called multiple vitamins which are on sale, and which are equally detrimental?

Mr. Monteith (Perth): The department is studying all these questions continuously.

IMMIGRATION

REPORTED COMMENTS BY MINISTER ON ACT

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to ask a question of the Minister of Citizenship and Immigration based on an article which appeared in the Hamilton *Spectator* of April 4. Was the minister correctly reported as having said that the current Immigration Act is a patchwork affair which she would like to see completely revised? If so, was she speaking personally or on behalf of the government?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): That is precisely what I said.

Mr. Hellyer: Then I wonder if the minister would explain why, if she has felt that way since at least April 22, 1959—

Mr. Speaker: Order. I suggest the hon. member take that up when the estimates are called.

Mr. Hellyer: Could I put the question directly? Can the minister—

Mr. Speaker: Order. The hon. member seems—

[Mr. Monteith (Perth).]

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to raise a point of order with respect to my hon. friend's question. If I understand Your Honour correctly, there was a suggestion that this be taken up on the estimates. We have no assurance that there will be any opportunity to take this up on the estimates, and it is surely an urgent matter if the minister expresses the view that the law is completely unsatisfactory, as the hon. lady did in Hamilton. It is surely competent for us to ask her why, in four years, she has done nothing about it.

Mrs. Fairclough: In the first place I must take exception to the hon. member's words. I did not say the law was completely unsatisfactory.

Mr. Pickersgill: Well, largely unsatisfactory. I will amend my proposition.

Mrs. Fairclough: Maybe your confrère will hand you the article so you can read it yourself. At the time I brought in the new regulations I stated that I was not satisfied with the act. I have said that on many occasions, and I have also stated that after the regulations have had an opportunity to work the act will be revised.

Mr. Hellyer: Does the minister propose to submit an amendment to the act this session?

Mr. Speaker: Order. The point of order was before the house, not the question. I expressed an opinion which, notwithstanding the views of a very experienced member of the house, I still think it is correct. This subject is more properly one for debate. If the estimates are not appropriate perhaps the hon. member for Trinity will find another suitable time to discuss the matter.

PARLIAMENT HILL

INQUIRY AS TO COMPLETION OF TUNNEL FROM WEST BLOCK

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I wish to direct a question to the Minister of Public Works or, in his absence, to the acting minister or the parliamentary secretary. Would the acting minister advise the house if the tunnel now under construction between the west block and the centre block will be completed before the dissolution of the present parliament, or before the opening of the sixth session of the twenty-fourth parliament?

Hon. Howard C. Green (Acting Minister of Public Works): I think that depends on when parliament is dissolved.

EXTERNAL AFFAIRS

NUCLEAR TESTING—OFFICIAL CONVEYANCE TO U.S. GOVERNMENT OF CANADIAN VIEWS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Secretary of State for External Affairs whether the government has officially conveyed to the United States government the views which have recently and publicly been expressed by both my hon. friend and the Prime Minister, namely that the United States should not resume nuclear testing?

Hon. Howard C. Green (Secretary of State for External Affairs): I dealt with this question in my first speech at the disarmament conference in Geneva, when I said this:

> Canada deeply regretted that the Soviet union last August broke a three year moratorium on testing, for we are opposed to all nuclear weapon tests. In this we share the view of most other countries. Indeed, the major nuclear powers themselves have stated at this very conference that they would like to see all tests stopped. However, they now find themselves unable to reach final accord owing to disagreement on inspection. Is there no alternative to another series of tests with all the harmful consequences that such action could bring? Is it not possible, within the framework of this committee, to make the further effort which is required to break the deadlock? In my opinion, such an effort must be made, for otherwise the prospects of this conference itself could be seriously threatened.

As the Leader of the Opposition will know, they are still working on this problem at the conference in Geneva.

TRANSPORT

INQUIRY AS TO LICENSING OF SMALL CRAFT

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Minister of Transport this question now that the small boat season is upon us. Why has the Department of Transport not proceeded with the licensing and disciplining of small craft, as was indicated last session was likely?

Hon. Leon Balcer (Minister of Transport): I am sorry, but I must ask my hon. friend to repeat his question.

Mr. Fisher: I wonder why the Department of Transport has not proceeded with the policy of the licensing and disciplining of small craft as was indicated last session as likely for this year.

Mr. Balcer: We have had a small boat conference this year. It is a yearly conference. The matter was discussed with people interested in this problem and also with representatives of the provinces. The matter has been studied at length, and we are still in negotiation and discussion with the various interested parties.

Mr. Fisher: I have a supplementary question. May I ask the minister whether a public opinion poll was held at this year's conference as was done at last year's conference? If so, what was the result of the poll?

Mr. Balcer: I have not the result of the poll about which my hon. friend is talking. I am sorry, but I cannot give that result now.

TELEVISION

STRANRAER, SASK.—GRANTING OF LICENCE FOR SATELLITE STATION

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Yesterday the hon. member for Bonavista-Twillingate asked if I would ascertain the date on which a licence was granted to the satellite television station at Stranraer. A licence in the form of an authorization to operate was given by telegram on April 4, 1962. In due course this will be confirmed by a formal document.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask the minister whether that telegram had been sent before the minister answered the questions in the house on that date?

Mr. Balcer: No, Mr. Speaker.

HOUSE OF COMMONS

SUGGESTED STONE CARVINGS OF MEMBERS OF PRESS GALLERY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Acting Minister of Public Works. It is based on my long campaign for the proper and permanent recognition of the role of the fourth estate in parliament and in our democracy.

In view of the fact that a new parliamentary stone carver, Miss Eleanor Milne, has recently been appointed, would the minister consider taking advantage of this opportunity to mark the new Elizabethan age by recommending the enshrinement in stone, as decorative gargoyles, of the heads of members of the fourth estate whose Celtic, Roman and Elizabethan features would be most appropriate for this purpose?

Hon. Howard C. Green (Acting Minister of Public Works): Mr. Speaker, I am not quite sure what kind of gargoyles the members of the press gallery would make. However, I am

certain that my old friend the hon. member for Kootenay West would make an excellent one.

[*Later:*]

(Translation):

USE OF TRANSPORT DEPARTMENT PLANES FOR ELECTION PURPOSES

On the orders of the day:

Mr. Alexis Caron (Hull): Mr. Speaker, may I address a question to the Minister of Transport?

What amount is paid to the Department of Transport by the Conservative party for the use of its airplanes for election purposes?

Hon. Leon Balcer (Minister of Transport): Nothing at all, Mr. Speaker.

Mr. Caron: A supplementary question, Mr. Speaker. Is there an agreement between the Conservative party and the Department of Transport concerning those flights?

Mr. Balcer: Absolutely not.

(Text):

INCOME TAX

EXAMINATION OF PROPOSED LEGISLATION BY JUSTICE MINISTER

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to ask the Minister of Justice whether he has received a copy of Bill No. C-82.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, Bill No. C-82 is not before me.

Mr. Howard: Mr. Speaker, the question I asked the minister was whether he had received it from the Clerk of the house.

Mr. Fulton: If Bill No. C-82 is the one which the hon. member attempted by ruse to get before the house the other day, I have not received it.

HEALTH INSURANCE

QUEBEC—REPORTED ADVERTISEMENTS CONCERNING FEDERAL-PROVINCIAL PROGRAM

On the orders of the day:

Mr. Maurice Johnson (Chambly-Rouville): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Is the minister aware that the Quebec provincial government, out of the taxpayers' money, is paying for advertisements in the papers and over television and radio stations under the pretext of informing the population on the operation of hospital insurance in Quebec, in such a way as to give the people the impression that the government of the province of Quebec alone is paying the cost of that joint federal-provincial program?

[Mr. Green.]

Some hon. Members: Order paper.

Hon. J. W. Monteith (Minister of National Health and Welfare): I am not aware of such advertising, Mr. Speaker. However, if such advertising were being done it would be entirely incorrect, as the federal government pays approximately 50 per cent of all hospitalization costs in the province.

CORPORATIONS AND LABOUR UNIONS

PROVISION FOR FURNISHING OF FINANCIAL AND OTHER STATISTICS

The house resumed, from Thursday, April 5, consideration in committee of Bill No. C-38, to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada—Mr. Fulton—Mr. Martineau in the chair.

On clause 14—*Privileged information; prohibition against communication.*

The Chairman: When the committee rose last night we were considering clause 14 of the bill and the amendment thereto moved by the Minister of Veterans Affairs. Shall this amendment carry?

(Translation):

Mr. Roberge: Mr. Chairman, before the house took recess last night, the committee had decided to study this clause, paragraph by paragraph, as it has been doing so far.

I have a few remarks to make with regard to subsection 1 of clause 14 which is one of the important clauses of this bill, because it informs us that section B of the return that the corporations or the unions must file is secret, confidential or privileged.

This clause also indicates the guarantees provided by the act to the corporations or unions which will have to divulge to the government their financial structure, in particular.

As stipulated in this clause, authorized officials are the only ones who may divulge certain details of the returns to other authorized persons or officials.

Under this clause we must guarantee adequate protection to these corporations and unions. To that effect, I feel that clause 14, subsection 1, should be amended by eliminating the word "knowingly", which is found on page 10, line 12.

Normally, under the Criminal Code, the prosecution has to prove conclusively the guilt of the accused. It is the British tradition and only in very special cases can we waive that principle under which the burden of proof rests with the prosecution.

In this case, I am very reluctant to make the suggestion I have in mind, but I feel that corporations and unions which have to file returns with the government should be given the utmost protection. If officials are in a position to communicate certain information to other people, companies must absolutely be protected.

An excellent means of protection, in addition to legal proceedings, would lighten the onus of proof or, inversely, make defence more difficult.

I do hope that the Minister of Justice has been able to follow my remarks, if not directly, then through simultaneous translation.

I also hope that he, as well as the committee, will take into consideration the amendment I am about to introduce, because I sincerely believe that it will afford still greater protection to corporations and unions which will be required to file these returns.

(Text):

I move, Mr. Chairman:

That clause 14, section 1, be amended by striking from line 12 thereof the word "knowingly".

(Translation):

The Chairman: I think the committee is now considering an amendment which was submitted last night by the Minister of Veterans Affairs (Mr. Churchill). Therefore, we should dispose of this amendment before we can entertain the amendment of the hon. member for Megantic (Mr. Roberge).

Mr. Caron: I believe the minister admitted last night—

(Text):

Mr. Fulton: May I suggest with leave of the committee that the amendment last night amends subparagraphs 3 and 4 and substistutes new subparagraphs 3, 4 and 5. I had it moved last night in order that it might be available to the committee for study and consideration. Unless you see some reason against it, sir, I personally would have no objection to dealing with subparagraphs 1 and 2 and any amendments it may be wished to move there, and when we come to subparagraph 3 perhaps we could then consider directly the amendment moved last night.

The Chairman: That would be quite all right. We will defer study of the previous amendment and will consider subclauses 1 and 2. Therefore I put before the committee the amendment that has been proposed by the hon. member for Megantic.

Mr. Fulton: Mr. Chairman, I find some difficulty in accepting this amendment, because it seems to me that to delete the word "knowingly" would be to remove the element of *mens rea* which must be proven in any charge of a criminal nature. When I say "remove" it, perhaps that is going too far, but it would certainly leave that matter open to question. We feel that by the decision to have the dominion bureau of statistics as the initial repository of all returns and the permanent repository of part B returns, plus the changes which have now been suggested in subclauses 3 and 4 of this clause, we have adequately safeguarded the confidentiality of part B returns. I should hesitate very much indeed to create an offence of this nature which would not be affected by the use of the word "knowingly". I would have very real doubts whether to do that would not take away from the person who might be accused of such an action the ordinary defences that he would have with respect to a charge of a criminal nature.

Mr. Howard: Mr. Chairman, I do not have the legal knowledge of the minister, but it would seem to me that if we are going to make certain information as privileged as we are doing under section B in each part of the bill, then we certainly want to ensure that those people in the public service who have access to that privileged information have every right to protect themselves. It would seem that with the word "knowingly" we are placing a great onus upon the individual to prove his innocence rather than having the prosecution prove his guilt.

(Translation):

Mr. Caron: Mr. Chairman, I admit that where the word "knowingly" is used the opinion, thought or intention must be proven. It is then more difficult for a civil servant to defend himself. On the other hand, we must recognize that the object of this subclause is to safeguard confidential returns filed with the department.

And because of the word "knowingly" the government's counsel position is made much more difficult. It would be just as hard to prove that it was done knowingly than to prove perjury, because you would have to prove an intention.

It is only by way of an exception that we ask that the word "knowingly" be struck out of that clause, because we sincerely think that the accused must be protected.

But in the case of officials of a department, people who have heavy responsibilities, since they have access to the returns, and who are conscious of those responsibilities, I believe that we should be more strict with such persons than with somebody from the outside.

That is why we insist on the striking out, in paragraph 1, of the word "knowingly", or "sciemment" in the French version.

(Text):

Mr. Roberge: Mr. Chairman, I appreciate very much the remarks made by the Minister of Justice when he said that the element of *mens rea* should be present in a criminal offence. With that I agree. This is the general principle on which our Criminal Code is based. However, I wish to reaffirm what I said before and what the hon. member for Hull has just said in French, that this bill is quite exceptional in that it more or less infringes on the liberty of companies and unions in the sense that the law is going to force these bodies to report to the government on their financial structures and this information is made confidential by virtue of clause 14.

If this were an ordinary bill I would not make such a request, but the full rights of the defence are deeply imbedded in our hearts in Canada. I feel that in this case, where people are forced by law to give this information, they must receive the fullest possible protection. I believe that in this way we will more fully protect the companies and the unions that are obliged to give this information to the government. It is in that sense that I should like the minister to think over the matter and accept the amendment to strike out the word "knowingly".

Mr. Fulton: Mr. Chairman, if I were convinced that the removal of the word "knowingly" protected the companies and the unions more fully I might be disposed, to a greater extent than I find myself at the moment, to consider the amendment favourably. After all, what is the protection we want? The protection that the companies and unions want is not to see the civil servant prosecuted; they just do not want the information communicated at all. I cannot really see that taking out the word "knowingly" would give them increased protection because frankly, Mr. Chairman, I have enough confidence in the public service that when a statute contains a clear prohibition like this, they are going to be scrupulous to see to it that they do not act in breach of that prohibition.

What we do want, however, is a provision that if one wilfully, and that is imported by the word "knowingly", does so act then he should be liable to a heavy penalty. I do not believe that the removal of the word "knowingly" is going to make the ordinary public servant much more careful. I do not believe it will deter the unscrupulous public servant, in the very rare case where he exists, whether or not we have the word "knowingly" in here. I do not know, therefore, that the removal of the word increases the protection. I think it might expose to a penalty a person who acted entirely accidentally and who had allowed this information to be communicated.

I am impressed by the fact that in none of the representations I received—and I received a number of them expressing concern with regard to the confidentiality of the information—was there a reference to the use of the word "knowingly". None of them requested the removal of the word "knowingly". I have just sent out for the Statistics Act, and it has now been placed before me. As is well known, the Statistics Act contains very strict safeguards with regard to the confidentiality of the information received under it. The bureau, under the Statistics Act, as I said before has built up an enviable reputation and an excellent relationship with those who file returns on the basis that they know the information will remain confidential. Section 39 of the Statistics Act reads:

> Every person employed under this act who (a) wilfully discloses or makes known directly or indirectly to any person not entitled under this act or any regulation to receive the same, any information obtained by him in the course of his employment—

The Statistics Act, while it does not use the word "knowingly" does use the word "wilfully". I would hope, therefore, the hon. member would consider we would be justified in leaving the word "knowingly" in here.

Amendment negatived: Yeas, 9; nays, 37.

Subclause 1 of clause 14 agreed to.

Subclause 2 of clause 14 agreed to.

The Chairman: Subclause 3 is the one under which the amendment proposed last night by the Minister of Veterans Affairs may be discussed.

On subclause 3.

Mr. Howard: If this amendment carries, will it then dispose of all the clauses? Does it not delete the rest of the subclauses?

Mr. Fulton: No; the amendment does call for some renumbering. I would think, in accordance with the arrangement we have been following, when the three specific subparagraphs in the amendment have been carried, we would go on to deal with the other subparagraph separately, presently numbered 5 which would become No. 7.

(Translation):

Mr. Caron: Mr. Chairman, I think that this clause is too wide, in that it allows too many persons to look into these confidential documents. The clause reads as follows:

(Text):

An official who is an officer or other person employed in the execution of any duty under the Statistics Act or any regulation thereunder may (a) communicate or allow to be communicated—

(Translation):

I think that is too comprehensive. Under this clause, all employees of a department, where there are thousands of them, could go through confidential returns. In this way the government puts some of them in a situation where they can use their status of employees to get the information they need. I feel that is a bit too comprehensive, and I suggest that we should strike out the words "other persons".

(Text):

Mr. Fulton: Without this amendment in new subparagraph 4 we would have a situation which would, in effect, stultify altogether the processing of the information which is being returned. We have now provided that the returns will be filed with the dominion bureau of statistics. They will be received by an official in the bureau of statistics. These returns obviously have to be processed in the bureau; they have to be passed from person to person in the bureau in order that they may be dealt with and processed. If we did not insert this provision (4)(a) which allows one official in the bureau of statistics to communicate with another official, then the return would stay in the mail clerk's hands and could not be passed along because of the operation of subparagraph 1 of this clause.

That is the simple reason. This is to avoid freezing it in one place with the person who first opened the mail. We had to provide the freedom to allow this information to be communicated from one official to another, but within the bureau the confidential parts will remain entirely confidential and will not be disclosed except in accordance with subparagraph 1 of this clause.

Mr. Howard: Perhaps the minister should accept the idea advanced with respect to this matter of communicating information. This would then leave the person who opens the mail free to dispose of the information in the wastepaper basket, which is as good a place as any for some of the useless information.

Mr. Caron: I admit that the minister is quite right, that the one who is called upon to open the mail may know of something in it, but as the clause is written it states "may communicate or allow to be communicated to an official or authorized person any privileged information obtained." It is generally the case that the one who opens the mail communicates the information. I really believe the provision is too wide for the protection of those who will be sending confidential reports to the government.

Mr. Fulton: Unfortunately, from the point of view put forward by the hon. member, we are in the position that the act of manually passing documents from one person to another is an act of communication. Communication need not only be oral, and we would be literally freezing documents in the hands of the person who first received them unless we put in this provision removing that restriction.

Amendment agreed to.

On renumbered subsection 7—*Offence.*

Mr. Caron: That includes subclauses 3, 4, 5, and 6, does it?

The Chairman: Yes.

Mr. Caron: This would be the four subclauses moved last night?

Mr. Fulton: That is right.

Mr. Caron: In the other part of the bill we provided for a fine not exceeding $50, but I think in this clause we should provide for the protection of those who file confidential reports, stipulating a minimum fine and a minimum prison term. For this reason I move the following amendment:

After the word conviction in the third line "to a fine not less than one hundred dollars and not exceeding one thousand dollars or an imprisonment of a term of not less than one week and not exceeding three months, or both such fine and imprisonment."

Mr. Fulton: I regret if the necessity of opposing this amendment makes me seem indisposed to consider these matters, but personally I feel very strongly that the philosophy now prevailing against the fixing of minimum sentences and penalties is the correct philosophy. Having provided the maximum that parliament wants to set, I believe punishment should be adjusted in accordance with the seriousness of the offence at the discretion of the court. Parliament is here providing quite substantial penalties, a fine of up to $1,000 and imprisonment for up to three months. Therefore parliament is indicating that a person who knowingly communicates this information is, in our view, guilty of a potentially serious offence. I do not think we should further tie the hands of the courts in assessing all the factors that are relevant and in imposing the appropriate penalties.

I do not oppose the amendment just because it is advanced by the hon. member for Hull. It is just because I find the principle involved in the amendment contrary to what I believe is sound in regard to penalties.

Mr. Howard: I agree with the minister in his contention about minimum sentences. That should be no concern of ours. A maximum sentence should be stipulated by parliament and the courts should be left free to impose sentences up to that maximum. However, before proceeding further perhaps the minister could indicate what penalties are contained in the Statistics Act.

Mr. Fulton: The Statistics Act contains a provision that a person who wilfully discloses or uses any information for the purpose of speculating in any product or article—there are two offences here—is liable on summary conviction to a fine not exceeding $5,000 or a prison term not exceeding five years, or to both. It is pretty fierce.

Mr. Howard: I am more partial to what the minister is proposing in this bill. I think the penalty provided in the Statistics Act is overstringent.

Mr. Fulton: It is pretty fierce.

Mr. Howard: Then if it is pretty fierce perhaps the minister will talk to his colleague, the Minister of Trade and Commerce, and influence him with his opinions about penology matters so that we can revise the Statistics Act sometime later.

Mr. Matheson: I am sure all of us are sympathetic to what the minister said about criminology, but I wonder whether the government and the country really understand the extent to which information of a very special nature is now being placed in certain hands. A person who is able to gather highly secretive information may find it has a valuable sale value in unscrupulous areas.

Here we have the government peeking in on corporations and unions, and certain civil servants will be able to apprise themselves of many of the secrets of corporations and unions that heretofore have been in other hands. It would be a very simple and easy thing for this information to be gathered together and used in a completely unscrupulous way. As I said previously, we on this side of the house ask what is the purpose in this; because the gathering of this information in a special way is something new in our approach to legislation. Here we are no longer dealing with one or two ministers; we are really dealing with three. Now we have government with its eyes on the secret affairs of a great many corporations and unions, and it could be tremendously damaging to either for some information to be disclosed.

I wonder whether the minister cannot think of some other way in which there could be more effective teeth put in the bill to protect the secrecy, the privileged character of clause 14. Everything he has said we understand, and it makes sense, yet surely the effect of it is to permit highly confidential material to get out in a way which would damage those people interested.

The Chairman: The question is on the amendment. All those in favour of the amendment will please rise.

Mr. Fulton: This is subclause 7?

The Chairman: Yes, this is renumbered subclause 7 and the amendment proposed by the hon. member for Hull.

Amendment (Mr. Caron) negatived: Yeas, 11; nays, 29.

The Chairman: I declare the amendment lost. Shall renumbered subclause 7 carry?

Renumbered subclause 7 as amended agreed to.

On renumbered subsection 8—*Definitions. "Official"—"Authorized person".*

Mr. Caron: Mr. Chairman, I think this is the worst clause in the bill. We see here:

> "official" means any person employed in, or occupying a position of responsibility in, the service of Her Majesty, and includes any person formerly so employed or formerly occupying such a position,

The other paragraph of this subclause reads:

> "authorized person" means any person engaged or employed, or formerly engaged or employed, by or on behalf of Her Majesty for any purpose relating to the administration or enforcement of this act.

So the bill goes as far as saying that anybody formerly employed by any department of the government comes within the provisions of this subclause, because it does not say "formerly employed only in the department of statistics". I think this is going much too far, because most of the people in the country could come in and ask to see what there is in most of these reports, and they could see them. Therefore it is really dangerous, and I cannot understand how the Minister of Justice could let this pass without asking that the clause be rephrased so as to provide greater protection for those who submit reports.

I do not want to make a long debate of this matter, but I move that the subclause be amended as follows:

> (a) "official" means any person employed in, or occupying a position of responsibility, authorized by the minister or deputy minister.
>
> (b) "authorized person" means any person employed by or on behalf of Her Majesty, authorized by the minister or the deputy minister for any purpose relating to the administration or enforcement of this act.

The Chairman: Moved by the hon. member for Hull that renumbered subclause 8 be amended as follows:

> (a) "official" means any person employed in, or occupying a position of responsibility, authorized by the minister or deputy minister.

(b) "authorized person" means any person employed by or on behalf of Her Majesty, authorized by the minister or the deputy minister for any purpose relating to the administration or enforcement of this act.

The question is on the amendment.

Mr. Fulton: Mr. Chairman, the reason it is necessary to put in this definition subclause which we are now considering, referring to persons employed in or formerly occupying such a position, is in order to avoid the possibility that an official who received information while he was employed, and therefore being an official or person subject to the limitations as to disclosure contained in this bill, would by resigning no longer be an official and subject to the limitations contained herein and would be free to communicate that information or to use it for stock market purposes, and so on.

In other words, if we do not put in some provision such as this to ensure that the burden of secrecy shall continue to apply to a person even after he resigns from the public service, then by the mere fact of resignation such a person would be out from under the responsibility to maintain confidentiality with respect to information he received while a member of the public service. So the inclusion of the words "person formerly so employed", far from enlarging the possibility of improper disclosure, narrows that possibility by reason of the fact I have just mentioned.

You have to read this subclause in context with the operative subclauses 3, 4 and 5, which together make it clear that the only purpose for which information obtained under this act can be communicated to anyone is for a purpose relating to the determination of policy in connection with the formulation of any law of Canada or the ascertaining of any matter necessarily incidental thereto. That means that senior officials may discuss together and with members of the government information that has come to their attention and the implications thereof, and advise and consult mutually as to policies that should be devised and implemented to take care of the situations thus disclosed. That is the only purpose for which the information can be communicated even by an official or authorized person.

When such a person ceases to be a member of the public service he has no right, obviously, to disclose that information under those terms; he cannot disclose it to outside persons for such purposes. But he would no longer be subject to the limitation contained therein unless he were brought under it by the inclusion in the definition of "official" as a person formerly so employed.

Mr. Caron: Mr. Chairman, I admit that it might be wise to have protection in respect of those who might leave the department after being employed by the government, but I do not think this is the way it should be done. I think there should be a special subclause dealing with those persons so employed in the past. It could easily be put in subclause 5 renumbered 7 before the word "official". This subclause would then read: "...being an ex-official or authorized person". But I think it would have been much clearer to put in a special subclause dealing specifically with those who might have been employed by the department and who had left the department to go and work for somebody else. This would have made the law much clearer, and it would have afforded greater protection for those who with confidence place their reports before the department of statistics.

Mr. Howard: Mr. Chairman, with regard to my first question to the hon. member for Hull when he moved the amendment, I thought I understood his objections to it, but listening to him just now I find that in fact he is speaking against his own amendment. You either have a prohibition in there against former officials or employees, or you do not. The amendment of the Liberal party is designed to take out that prohibition. You cannot argue both ways if you want to make any sense out of it. Keeping in mind the general concept of employer-employee relationships I feel that once a person ceases to be employed he is a free agent and on his own; I do not think we should hound such individuals with strictures once they have left their employment.

I would be prepared to support the amendment put forward by the hon. member on that basis, but not on the basis that he really does not mean this but means something altogether different. Perhaps we could find out more clearly what the Liberal party means in this regard before we go further.

Mr. Caron: When I said it could be placed in that other subsection, that was just to tell the minister we do not accept it the way it is. We are not here to try to kill the bill; we are just trying to make it better than it is. The amendment stands if they do not intend to change it. We intend to keep the amendment the way it is so that those reporting to the government will be protected.

Mr. Matheson: This is illustrative of poor drafting. This bill will be of interest to a great many people in Canada, to a great many corporations and to a great many unions with small memberships. Surely this committee should produce something which ordinary business people and ordinary labour

people with ordinary lawyers can understand. It was only after discussion with his civil servants that the Minister of Justice was able to explain the significance of this clause, and even then certainly not to my satisfaction or to the satisfaction of this side. Cannot the minister do something to make intelligible and clear what is intended by this clause?

Mr. Fulton: I think it is perfectly clear now. This is a definition of officials and authorized persons. This simply says that both are persons formerly engaged or employed in the public service. I do not think other members of the committee find that difficult to understand.

Mr. Howard: The only thing which in my opinion might make it clearer is this. We talk about an authorized person as one whose activities are related to the administration or enforcement of this act, and we talk about an official being anybody else in the public service, whether he has anything to do with this particular act or not. It is my understanding that the only people who would have any knowledge of the administration or enforcement of this act would be those employed in the bureau of statistics or the Department of Trade and Commerce. If confidential information about any one company is to be disseminated far and wide among all the departments of government, this is not what we originally understood the situation to be. Perhaps the minister would care to comment on this aspect.

Mr. Fulton: I think the obvious differentiation is this. An authorized person would be, for example, an agent of the Minister of Justice who might be retained to prosecute in respect of an alleged offence rising out of the act. Such persons would be authorized persons and would be subject to the limitation of confidentiality with respect to information given to them. An official, on the other hand, would be a person engaged in the administration of the act such as a statistician in the dominion bureau of statistics or a senior official engaged in considering the information within the context of subparagraph 5; that is, the determination of policy.

Mr. Howard: Why in addition do you not say that an official is one whose duties, for any purpose, relate to the enforcements of this act?

Mr. Fulton: Because subparagraph 5 states the only situation in which this information may be communicated even as between officials. There can be communication between officials of the government only for a purpose related to the determination of policy in connection with the formulation of any law of Canada or the ascertainment of any matter necessarily incidental thereto. They cannot, for example, go gossiping among themselves saying that an interesting piece of information is contained in such and such a return.

Amendment (Mr. Caron) negatived: Yeas, 9; nays, 30.

Clause as amended agreed to.

On clause 15—*Certificate as evidence.*

Mr. Fulton: On clause 15 I would ask my colleague to move an amendment affecting lines 12 and 13. The amendment would have the effect of making it clear that it is the dominion statistician who will sign the certificate as to whether or not a return has been received. This is made necessary by the fact that returns are all to be made in the first place to the dominion statistician.

Mr. Starr: I move:

That the said bill be further amended by striking out lines 12 and 13 on page 11 thereof and substituting therefor the following:

'a certificate purporting to be signed by the dominion statistician or any person authorized by him in writing in that behalf that a return was not filed with the dominion statistician by any corporation,'

Amendment agreed to.

Clause as amended agreed to.

On clause 16—*Annual report.*

Mr. Fulton: May I ask my colleague the Minister of Labour to move an amendment which will have the effect of striking out in lines 17 and 18 the works "Secretary of State and the" and the words "of Labour". So it will just read "the minister shall as soon as possible..."

Mr. Starr: I move:

That the said bill be further amended by striking out lines 17 and 18 on page 11 and substituting therefor the following:

'16. (1) The minister shall, as soon as possible after the end of each year,'

Amendment agreed to.

On clause 16 as amended.

Mr. Howard: On the amendment or on the clause as amended, it does not matter—

The Chairman: On the clause as amended.

Mr. Howard: —I just wish to inquire what is meant when they say "at the end of each year". Does that mean the calendar year? The minister says, "As soon as possible after the end of each year". Is that the calendar year or the fiscal year of the government?

Mr. Fulton: By virtue of the Interpretation Act that would be the calendar year.

Clause as amended agreed to.

On clause 17—*Regulations.*

Mr. Howard: This is the clause which authorizes the cabinet—although it says the governor in council it is in fact the cabinet—to make regulations. In many instances I have discovered that regulations are drafted and come into effect which give perhaps a different meaning to the statute from that which was originally understood by parliament when it was dealing with the bill. For argument's sake I may say that the regulations under the Immigration Act, to which reference was made today, are a prime example of legislating by way of order in council. We are all opposed to this degree of secrecy which exists and to giving the cabinet in fact a blank cheque to play around within this sort of thing, and to work out regulations which do other than that which was intended by the bill itself.

Under clause 9 we have adopted a requirement that the unions file certain information in such form and containing such particulars and other information relating to the financial position of the union as may be prescribed by the regulations. The same is true with respect to companies. Under clause 4 companies are required to file certain financial and statistical information in such form and containing such particulars and other information relating to the financial position of the corporation as may be prescribed by the regulations.

If the draftsmen and the minister were able to place in one clause which covers almost four whole pages a great deal of detail such as numbers of shares, the amounts paid for architectural fees, dividends, interest, amounts received from royalties and so on, surely it is going a bit too far, having regard to the requirements for corporations shown on page 4, for them to come along and say they now want other information that will be contained in the regulations.

I suppose we all need regulations of sorts in order to put things into effect. However, it seems to me that what the minister is doing here is asking for a sort of blanket permission for the cabinet to adjust its requirements in order to meet its needs and desires as the occasion may demand, and so that it can set out in all sorts of fantastic detail the financial information which it requires both from corporations and from unions. It seems odd that a government could spend five years concerning itself about the economy of the nation; could in those five years prepare a bill which goes most extensively into the type of statistical information it requires, ranging all the way from accounting, auditing and consulting fees to salaries to directors, the numbers of shares and the like, scattered over some four pages; and then could come along and say "Well, we did not quite cover it all there. We want a blank cheque for the governor in council to juggle and adjust these things and to require even more information than we disclosed to parliament we really wanted".

It would perhaps have been more correct to raise this matter in the first instance when we came to it under clause 4 and again under clause 9. However, I felt that the raising of such objection should perhaps be saved until we reached the particular clause we now have before us, as this is the one which gives authority to make such requirements. It indicates again to me the relative worthlessness of the bill.

The minister says "We spent years concerning ourselves with this matter. We now wish to find out in precise detail all we can about everybody in the country, and we have been able to include this in a bill going into the minutest detail". Then he comes along and says "We really did not know what we were doing when we drafted this bill; we wish to have additional powers so that we can ask for even more information to be stacked up in the dominion bureau of statistics offices." Before we proceed much further I think the minister owes us some explanation—he will not be drafting the regulations but he will be participating in them—as to what is in his mind with respect to the type of additional statistical information required relating both to companies and to unions under this bill.

The Chairman: Shall clause 17 carry?

Mr. Matheson: If this government wished to lay the foundation for a successor that was fascist or communist, could it do better than to end up with this catch-all phrase after a bill of this kind? It is a bill that is poking its nose into the private business of labour and management to an extent that we have not seen previously, and then ending up in the way that has been suggested by the hon. member for Skeena with a new catch-all phrase that gives this government or the government of Canada power to do anything else it likes, to go into either business or management. I remember some years ago talking to a number of Italians and a number of Germans who were suggesting that there was really not a great deal of difference between fascism and democracy as it prevailed in those days in the United States. They indicated that actually fascism was only an extension of government control. We seem to think that so is socialism a case where government is going to take over, to

supervise, to direct and to continue to direct piecemeal what it wishes done with respect to the business of the country.

Mr. Fulton: This bill does not give us any control at all. It merely gives us information.

Mr. Matheson: Yes, but we do not even know what information.

Mr. Fulton: Oh, yes.

Mr. Matheson: At the beginning of this matter the minister told us that this legislation was for a purpose that was very ill defined. All he could tell us was that this was stage one. He could not tell us why this bill was introduced, because he did not frankly indicate to the committee that the real problem was that foreign ownership has been increasing since this government has taken over. All he indicated was that in some sort of vague way there was a problem, that he did not quite know what it was, but in order to determine what it was he was going to find out, and this was stage one. He did not indicate what stage two and stage three were to be.

We on this side of the chamber are very much concerned about liberty and the freedom of people to run their own affairs. When we add particularly the clause which was called, namely clause 17, I wonder how any businessman or labour man can with any kind of security at all hope to proceed, to carry on and do the things which he must do secretly and privately because that is the way in which, in a competitive world, he is going to do things well. He is not going to tell his neighbour. Yet this government wish to know everything, and wish to know more than they have been able to think out in all these previous clauses of the bill. It is a bill that is hard to understand. Maybe I am not as bright as some of my friends over here from British Columbia—

Some hon. Members: Hear, hear.

Mr. Matheson:—but let me say to the committee that a lot of lawyers across the country with better training than my two friends are going to be trying to understand what all this means, and when they start to figure it out they are going to be concerned about the lack of clarity. The draftmanship is poor, and this clause is simply evidence that even at this late date in the session, right before a general election, the government has not clarified its own thinking in this matter and therefore it has included this clause in order to catch anything it has not already thought of.

[Mr. Matheson.]

Mr. Pallett: Will the hon. member name two lawyers who could not understand this, other than himself and maybe the hon. member for Essex East.

Mr. Matheson: The only reply I would make—

Mr. Fulton: Mr. Chairman, this furor has taken place over a relatively unimportant and certainly perfectly straightforward clause which provides that the governor in council may make regulations prescribing anything that by this act may be prescribed by the regulations. That has been described as a catch-all clause and very uncomplimentary adjectives have been applied to it, I suppose for the sake of making newspaper headlines. My hon. friends do not have any valid criticisms of the bill, but if you use certain words you can often get a newspaper headline. It does not take a Liberal very long to find that out, and the hon. member for Leeds has been under good tutelage in that regard.

What are the things we can make regulations about by virtue of this clause which is such an anathema to the hon. member for Leeds? He says that the bill is hard to understand. Apparently it is to him, because he has not appreciated that there are only three areas outlined by the bill within which regulations may be made. Those three areas are spelled out in the bill, and this clause says that we can make regulations in those areas where the bill gives us authority to make regulations. Is that a frightful catch-all clause?

Mr. Pickersgill: Could I put a simple question to the minister?

Mr. Fulton: I will finish first and perhaps the question will then be unnecessary.

Mr. Pickersgill: Oh, no, it will not.

Mr. Fulton: The three areas where it is provided that the details will be spelled out by regulations are, first, with respect to the details of the annual financial statements to be filed by both unions and corporations, that is, that portion of the return where the annual financial statement is contained; second, the amount to be fixed as a fee for inspection, the maximum being $1, so there is not very much power in the governor in council there to hurt people very much. We can prescribe a fee up to $1. Maybe it will be 10 cents. If it was fixed in the bill at $1 there would be no power to lower it. The third area where we can prescribe by regulation is with respect to classes of companies, in addition to those named in the schedule, who will be relieved of the obligation to report under this legislation.

Those are the three areas where we may make regulations. They are all clearly spelled out in the bill. I certainly cannot see that there is anything there giving the governor in council power to do anything more than sensible persons would agree should be covered by regulations. The reason for providing that the portion of the part B return comprising the annual financial statement should be spelled out in the regulations is that there will be such a multitude of classes and types of corporations reporting. There will be loan companies, investment companies, trust companies, manufacturing companies of different types, steel fabricators, cement fabricators and so on. The service industries will be reporting. There will be as many different types and classes of companies as one can think of and as exist in the Canadian economy, all of whom, by virtue of the different kinds of operations they carry on, must of necessity make up their annual financial statements in different ways.

I think it would be quite impossible to envisage in advance the permutations and combinations that it would be necessary to write out if you were going to prescribe in the legislation the precise details that you want in the financial statement portion. I am not objecting to the physical difficulty, though I think it would certainly take a mass of pages to do it. But I do not think you could say with certainty then that you had covered every possible case. Therefore it seemed only sensible that with respect to this one area, not the whole of the legislation but just this one area, namely the annual financial statement in the section B return, we should reserve the right to prescribe by regulation the precise manner of presenting the information that it is desired to have. I do not think that the other two areas where we may make regulations need much further explanation.

Mr. Matheson: Mr. Chairman, may I reply to the minister—

Mr. Howard: Mr. Chairman—

The Chairman: The hon. member for Skeena.

Mr. Pickersgill: Mr. Chairman, surely after the hon. member for Leeds has been attacked personally he is going to be allowed to reply.

Some hon. Members: Oh, oh.

Mr. Howard: Mr. Chairman, if he was attacked personally I would point out that he was not the only one in the line of fire, because the Minister of Labour started out by saying that we have offered no valid criticisms of the bill. That is precisely what we have been doing in the last few days, offering criticism of the bill because it is subject to criticism, and proposing alternatives.

Mr. Starr: On a question of privilege, Mr. Chairman, I think the hon. member did not mean to refer to the Minister of Labour. I think it was an error on his part.

Mr. Fulton: Just one of the many errors.

Mr. Howard: If I did I apologize. Perhaps I did so because the minister who has been piloting the bill through the house has done so with such inefficiency that one wonders at him being Minister of Justice. Perhaps it was just a blank spot in my mind because the actions of the Minister of Justice had led me to believe that he might have resigned.

Some hon. Members: Oh, oh.

An hon. Member: There is a blank spot over there.

Mr. Howard: Now that we have got the chorus going, Mr. Chairman, perhaps hon. members would like to relax and have lunch. Would you call it one o'clock?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Howard: Mr. Chairman, I had almost completed my remarks at one o'clock because we made our views known when this clause was called in the first instance. I only want to say again that when the minister states there was no valid criticism offered, he is incorrect. We have been attempting throughout the committee stage of this bill to improve it and make it a worth-while piece of legislation so that it would have some value in enabling the government to obtain information upon which future legislation could be based. We have been unable to convince hon. members opposite of the justness of our case. I think, therefore, when the minister says no valid criticisms have been forthcoming, he is most inaccurate.

Mr. Matheson: I will not reply in kind to the Minister of Justice. The minister's courtesy is well known to us and I think he was somewhat testy today. I do not believe we are trying to be inflammatory or look for headlines when we point to what we regard as legitimate weaknesses in legislation that is presented at the end of a session such as this, particularly when we are dealing with legislation that has no clear purpose, no declared aims. We feel that the provisions of this legislation should be clear and unequivocal

because it will affect a large segment of industry and of labour. The very fact that the government is going to see what heretofore has been of a confidential character is fresh and new. We believe, therefore, that the bill before this committee should be as easily understood by business folk and labour folk as it is possible to make it.

Many of the submissions that have been put forward by this group have not been put forward by us alone. We have sought assistance of people who have been teaching business administration and who have been specialists in the labour movement, people who are interested in good legislation in this field. With respect to the minister, therefore, who has certainly shown many courtesies to us on this side in the past by believing that we have been trying to improve rather than impede legislation, may I respectfully suggest an amendment. I move:

To strike out lines 35 and 36 and "(b) generally," in line 37.

The clause would then read:

The governor in council may make regulations for carrying into effect the purposes and provisions of this act.

Now, sir, I feel this provision is a good deal simpler. If it represents any real difference from what is now in the legislation, I would be grateful if the Minister of Justice would indicate wherein it differs.

Mr. Fulton: I have always felt a little bit sensitive on this question of regulations and the power to make regulations, both when I was on that side of the house and since I have been on this side of the house. I have tried conscientiously to carry that sensitivity into effect over here by looking carefully at provisions in statutes that we submit to the house which give the governor in council the power to make regulations. I say quite genuinely, therefore, that I appreciate the purpose the hon. member for Leeds has in mind, particularly as he puts it this afternoon.

I must say I have some reservations about what he proposes. On the basis of a quick look at his specific amendment, I think it could perhaps be accepted without too much risk. The reservation I have goes to the question of deleting subparagraph (a) of this clause 17 which says:

The governor in council may make regulations (a) prescribing anything that by this act may be prescribed by the regulations;

You will note, Mr. Chairman, that the provision at the top of page 4, for instance, where it is dealing with the form of the annual financial statement says it shall be "in such form and containing such particulars relating to the financial position of the corporation as may be prescribed by the regulations."

[Mr. Matheson.]

What I want to avoid is the risk that in the clause covering the regulation making powers we should not take sufficient power to pass regulations prescribing certain things because, if we cannot prescribe the things that are to be prescribed, then there will be serious gaps in the effectiveness of the law. However I am advised that there is an argument which can be made that if you take a general power to make regulations to carry into effect the purposes and the provisions of the act, then you could support an argument that you have power to make regulations prescribing certain things that are to be done.

You see, Mr. Chairman, it is my understanding that regulation making powers are interpreted strictly, and the governor in council cannot take power or cannot do by regulation those things which are beyond the purview of the act. If the bill uses certain specific words with respect to those things to be done by regulation and then the regulation-making powers do not repeat those specific words, the question arises whether you can rely on a general power to give this necessary authority. But it is a technical argument and, as I said previously, the bill in a sense is experimental.

I would be prepared therefore, on balance, to rest content with the power in effect given in subparagraph (b), and to rely upon that for the authority to make regulations prescribing all the things which the bill says must be prescribed by regulation. If we find that it is challenged and we have deprived ourselves of that power, then of course we could amend the act. We might be challenged and then it would be a question of finding out which way the decision would fall. Should it fall against us then we would have to introduce an amendment.

Mr. Pickersgill: Before the matter is determined I wish to say that we all appreciate the spirit in which the minister has accepted the proposed amendment of my hon. friend from Leeds, but I would point out that if you leave out the words "the purposes and", then it would read "for carrying into effect the provisions of this act." The particular instance which the minister gave was precisely to carry out one of the provisions of the act, and it seems to me that unless there is some purpose in paragraph (a), which has not been exposed to us, then what the hon. member for Leeds has suggested would meet the purpose, as the minister indicated. We very much appreciate the position taken by the minister in this matter.

Mr. Fulton: I would be prepared to accept the amendment, Mr. Chairman.

Mr. Howard: It is clear, whether the amendment is accepted or not, that the minister

intends to carry out making the regulations as he intended in the first place.

18 Amendment agreed to.

Clause as amended agreed to.

On clause 18—*Coming into force.*

Mr. Roberge: Is the minister able to give some indication to the committee as to the possible date of proclamation?

Mr. Fulton: Did the hon. member say the possible date of proclamation or prorogation? I want to be quite clear which question I am answering.

Mr. Roberge: I said proclamation.

Mr. Pickersgill: He is staying within the rules.

Mr. Fulton: The only answer I can give is that such time as will be necessary to draw up the regulations must be allowed before proclamation. It will be proclaimed as soon as possible in the light of the things we have to do in that regard. I would think it would be at least a couple of months.

Mr. Caron: If this bill is of very great importance then I think it should be implemented as fast as possible.

Mr. Fulton: It will be.

Mr. Caron: If it is important then I move the following amendment:

That clause 18 be struck out and replaced by the following: "This act shall come into effect on July 1, 1962."

Mr. Howard: An amendment which we could support would be one which would read that the act come into effect on July 1, 2062. However, in keeping with the results which are to come from the bill, if we leave it up to the governor in council to proclaim when the bill will come into force perhaps he will forget about it in the meantime and it will never come into force.

Mr. Fulton: I have explained to the hon. member for Megantic that I am not able to set a precise date as to when we shall have the regulations drawn, and therefore I am really unable to accept the deadline contained in the amendment.

The Chairman: The question is on the amendment.

Mr. Fulton: If I might just complete my answer; it might be sooner than July 1, 1962, and then it would be unfortunate if we had to wait for that date.

Mr. Caron: We want to give you time enough.

Mr. Pickersgill: Before the amendment is put I might say that we have learned during the last four years that "immediately," "soon," "very soon," and "in the very near future" have a very different meaning coming from the present treasury benches than they have when used by the rest of the population of the country.

Since we have taken a lot of time putting this bill through the house and giving it the most careful scrutiny, and since we are supporting the bill because we want to see whether it will do any good, even though we are rather sceptical about that, we think parliament ought to be sure that it will come into force and not be postponed like many of those other 80 promises that have not been fulfilled.

Amendment (Mr. Caron) negatived: Yeas, 11; Nays, 43.

Clause agreed to.

On the schedule.

Mr. Howard: We spent a considerable amount of time dealing with an amendment which we proposed to clause 3 of the bill, dealing with those matters contained within the schedule. We see no reason, of course, to reiterate those reasons and arguments now in any detailed way or in a formal way by way of amendment, except to say that we object strenuously to the inclusion in the schedule, and thereby the exemption, of certain corporations from reporting under this act, namely those mentioned in paragraphs Nos. 1 to 6 and 13 to 15, and in particular paragraph No. 17, which gives another blank cheque to the government to exclude any other class or group of corporations that it may desire to exclude in the future. We are opposed to this.

The Chairman: Shall the schedule carry?

Mr. Caron: Mr. Chairman, when we were discussing clause 3 it was understood that when we came to the schedule the minister might be in a position to answer my questions. My first question was this: are the subsidiary companies of the Bell Telephone Company mentioned in the annual report which they have to submit to the board of transport commissioners? My second question was: how many telephone companies report to the board of transport commissioners? Is the minister in a position to answer those questions?

Mr. Fulton: Mr. Chairman, I understand that a perusal of the latest annual report available from the Bell Telephone Company shows that the only subsidiary reported on formally is Northern Electric Company. I am informed, however, that this is the main subsidiary of Bell Telephone Company and that the report says that Northern Electric

is owned approximately 90 per cent by Bell Telephone Company and approximately 10 per cent by Western Electric.

As I pointed out a couple of days ago at an earlier stage of this bill, the Bell Telephone Company's own figures indicate that they are owned 92 per cent by Canadians. The detailed figure is that of the 178,126 shareholders, 97 per cent reside in Canada and they own 92 per cent of the total stock. Going on from there, again, as I say, on the basis of Bell Telephone's own figures 92 per cent is owned by Canadians, who in turn own 90 per cent of Northern Electric, the main subsidiary of Bell Telephone.

Mr. Caron: This does not give the board of transport commissioners the names of the subsidiary companies. The report says that one company, Northern Electric, is included; but in their report they show subsidiary company assets of $26,815,101, so it appears that there is more than one subsidiary. They should at least report that to the board of transport commissioners, if we are to have a full report of their assets and liabilities. This is one of the reasons why we thought that some of those companies should not be exempted, because then the department would ask them for those details which they do not furnish with their report.

Mr. Fulton: Mr. Chairman, the subsidiaries of the Bell Telephone Company in themselves are not exempt from reporting under this bill. The only companies that are exempt are those named specifically in the schedule. When we come to this group we find that the companies that are exempted are railway, telegraph, telephone or express companies, or a carrier by water in respect of which returns are made to the Board of Transport Commissioners for Canada.

If the subsidiary company, then, of the Bell Telephone is not itself a telephone company which reports to the Board of Transport Commissioners for Canada, it is not exempt from reporting under this bill that we are now considering.

Mr. Caron: Not knowing the subsidiary companies, we do not know if they have to report. We would know if we had the names of those subsidiaries. As it is, we do not know.

Mr. Fulton: I can answer that question, or the suggestion. Unless it is a telephone company which already reports to the board of transport commissioners, they must report under this bill. Therefore the Bell Telephone and all its subsidiaries will report in one place or the other. I can tell the hon. member what telephone companies are required to report to the board of transport commissioners, and from that he will know whether the subsidiaries of Bell Telephone Company are included, and I am satisfied that they are not. Therefore *ipso facto* those subsidiaries will be required to report under this bill that we are now considering.

The telephone companies required to report under the Railway Act to the board of transport commissioners are, first, the Bell Telephone Company operating in Ontario and Quebec; second, the B.C. Telephone Company; third, Bonaventure and Gaspe Telephone Company; fourth, the telephone operations of C.N.R.; fifth, the Yellowknife Telephone Company, a subsidiary of C.N.R. These companies are listed as I have given them in order of size.

Mr. Pickersgill: Not the Maritime Telephone Company?

Mr. Fulton: I am advised that the Maritime Telephone Company does not report to the board of transport commissioners because it is a provincial incorporation. Indeed I am advised that the telephone companies which do not report to the board of transport commissioners include the provincially owned telephone systems such as the Manitoba Telephone Company, the Avalon Telephone Company in Newfoundland, and the Quebec Telephone Company in Quebec. In some provinces there are some telephone companies which come under provincial regulatory boards; these companies are provincially incorporated and are almost invariably very small.

Mr. Caron: Could we have the number of telephone companies reporting to the board of transport commissioners, and the number which do not report? Just the number, not the names.

Mr. Fulton: I have just given the number reporting; they are five.

Mr. Caron: Five reporting?

Mr. Fulton: Five reporting. All other telephone companies do not report, and therefore unless they are provincially owned telephone companies they would be required to report under this bill.

Mr. Pickersgill: I wonder if the minister would not consider, since there are only five of these companies anyway, taking telephone companies out. It does seem rather ridiculous that the Bell Telephone Company should not have to report under this act and the Maritime Telephone Company, which is a very big company, should have to report. We have never been told just what it is they have to report to the board of transport commissioners, whether indeed it is precisely the same information as they have to report here. I am amazed, for example—and this is a confession

of ignorance, I admit; but the minister also was ignorant until he got the report—at the suggestion that the Bell Telephone Company is mainly owned in Canada by Canadian shareholders. I think the popular impression is that there is some sort of connection between the Bell Telephone Company and the American Telephone and Telegraph Company. We would like to know something about the nature of that connection, because they certainly are not independent of one another.

Mr. Fulton: Mr. Chairman, this raises a point on which there has already been considerable discussion and perhaps I should restate the position so that it may be perfectly clear. The position that I have taken, as I have already informed the committee, is that the government is able to obtain, in respect of companies described under heads 1 to 6 and 13 to 15 of the schedule, information that will clearly reveal the extent of foreign ownership, if any, in these organizations and its effect. At this time I would like to assure the committee that the government intends to collate the returns to be received under this bill with the information relating to these classes of corporations in the schedule.

It is the intention, also, to make summarized information available to the public on the extent of foreign ownership both with respect to the 25,000 companies included in the bill and also the exempted categories in the schedule. On the basis of this statement of the position and of what the result will be I would hope that hon. members would not feel it necessary to take away any of the exemptions so far given with respect to telephone companies, especially in the light of the fact that they are already subject to a heavy burden of reporting to a federal authority. It is precisely because they already report to a federal authority which is able to obtain all the kinds of information that we want that, we have exempted them from the provisions of this bill in order to avoid imposing the burden of making a duplicate report. Companies which do not already report to a federal authority will have to report under this bill, so between the two we shall be in a position to obtain and analyse information from the whole field.

Mr. Regier: I wonder if the minister could tell us exactly what information the B.C. Telephone Company has to supply to the board of transport commissioners. According to my findings the board of transport commissioners, who are supposed to be responsible for supervising the activities of the B.C. Telephone Company is, in this particular regard, being a mere scapegoat, and it is the opinion of many in British Columbia that supervision of this telephone company by the board means absolutely nothing—that the board is not even equipped to handle this particular assignment. I should like to know exactly what the B.C. Telephone Company does have to report to the board of transport commissioners.

Mr. Fulton: It is very extensive information. I do not want to read the whole of it into the proceedings here but I shall do my best to summarize, and I shall try to summarize fairly. Section 385 of the Railway Act says:

> Every railway, telegraph, telephone and express company and every carrier by water, if required by the board so to do, shall prepare monthly returns of its revenues, working expenditure and traffic and all other information that may be required.

Mr. Regier: If required.

Mr. Fulton: Yes. Such returns must be in acordance with the forms required by the board.

Then section 388 says that every railway, telegraph, telephone and express company and every carrier by water shall, annually, or more often if the board so requires, make a true and particular return of all accidents and casualties.

That does not seem to be very relevant to what we are discussing now.

Section 391 provides that the board may from time to time, by notice served upon a railway, telegraph, telephone or express company require a written statement showing in such detail as the board requires:

(a) the assets and liabilities of such company;

(b) the amount of its stock issued and outstanding, and the date at which any such stock was so issued;

(c) the amount and nature of the consideration received by such company for such issue—

(d) the gross earnings or receipts or expenditure by such company during any periods specified by the board, and the purposes for which such expenditure was made;

(e) the amount and nature of any bonus, gift, or subsidy, received by such company from any source whatsoever; and the source from which, and the time when, and the circumstances under which, the same was so received or given;

(f) the bonds issued at any time by such company, and what portion of the same are outstanding and what portion, if any, have been redeemed;

(g) the amount and nature of the consideration received by such company for the issue of such bonds;

(h) the character and extent of any liabilities outstanding chargeable upon the property or undertaking of such company, or any part thereof, and the consideration received by such company for any such liabilities, and the circumstances under which the same were created;

(i) the cost of construction of such company's railway or other works or any part thereof;

(j) the amount and nature of the consideration paid or given by such company for any property acquired by it;

(k) the particulars of any lease, contract or arrangement entered into, or at any time having been entered into, and the particulars of any financial or business relations relevant to any matter within the jurisdiction of the board existing,

or at any time having existed between such company and any other company or person; and

(l) generally, the extent, nature, value and particulars of the property, earnings and business of such company.

Further, the board has power to require the attendance before it of officers of the company to be examined in relation to any matter which in the opinion of the board is relevant to the returns I have enumerated.

Then, as the committee knows, every time one of these companies makes an application with respect to its rates there are extensive requirements as to the information which must be furnished. This is why there is now available, or can be made available under the acts which are mentioned in the schedule, as full information as it is desired to obtain under this bill. These companies already report to the board of transport commissioners and we did not think it would be sensible to include them under this bill. If we find, when the matter has been looked into further, that particular information we may need is not received as a matter of course by the board of transport commissioners, that omission can be taken care of under the authority already existing in the Railway Act.

I recognize that to an extent this becomes a matter of judgment. In our judgment, in view of the extensive powers that now exist with respect to the opportunity of obtaining information under the other acts, and the extensive burden already placed upon the companies named in the schedule to report to the federal authority, it would be unwise to insist that they duplicate that reporting burden.

Mr. Caron: The burden placed upon these companies will be the same as that placed on anybody else. The burden placed upon the smaller companies will be just as big as that placed on the larger companies, because the smaller companies have fewer employees to undertake this work.

Mr. Fulton: The difference is that the telephone companies, for example, already report to the board of transport commissioners while the others do not. If we required these companies to report here as well, they would have to report to two different places. That is where the duplication comes in.

Mr. Caron: But they do not necessarily give all the details which are included in this bill. We see in the report of the Bell Telephone Company for the year ending December 31, 1961 what a marked decline there has been in the number of telephone companies. We see that in 1954 there were 741 of these companies but that by 1961 the number had been reduced to 483. Some people are under the impression that a kind of combine is being created—that the small companies are being forced to sell. It would be very interesting to have statistics to show exactly what is going on in Canada in this respect. That is why I think even the Bell Telephone Company should be obliged to report as the other companies are.

Mr. Regier: I certainly would like to support the contention of the hon. member for Hull. However, if an appeal is possible, I should like to appeal to the hon. member for Hull to investigate the make-up of the B.C. Telephone Company. He would realize that the Bell Telephone of Canada is a relatively innocent operation by comparison. The B.C. Telephone Company has often been forced to admit that it is part of an international cartel in the field of telephone communications.

The minister attempted to reply to me a few minutes ago, but he did not claim that the B.C. Telephone Company makes any report whatsoever to the board of transport commissioners. He read out the regulations and I noticed that the words "if required" appeared. I noticed that he spelled out carefully that there were powers existing in the legislation under which the B.C. Telephone Company could be made to report, but he went no farther than that. I will say right now that the board of transport commissioners is not adequately equipped to handle this responsibility, namely, the supervision of the activities of telephone companies in Canada.

The minister stated that the company can be asked to report on a number of matters—and he quoted the words "if required"—by the board of transport commissioners. I would suggest to the minister that our board of transport commissioners are not equipped even to place a requirement; and even if they were so equipped, they would not know what to do with the information if it were submitted to them. He says the board may from time to time inquire as to assets and liabilities and as to earnings and expenditures. He also mentioned a few other matters. I submit to the minister that our present board of transport commissioners is basically designed to govern and control our railroads and that it is ill equipped or most inadequately equipped to meet the aims and objectives of the bill now before us. I therefore believe the hon. member for Hull is asking in a reasonable manner that telephone companies not be exempt from the provisions of this bill.

The minister also said that very extensive requirements were imposed upon the telephone companies as to changes in rates. I have had enough experience in this regard to know what a phony this is. If anyone in British Columbia complains to the board of transport commissioners about proposed

changes in rates, upon receipt of a complaint from either an organization or an individual the board of transport commissioners merely orders a stenographer to type out a copy of the letter of complaint and to mail it to the head office of the B.C. Telephone Company with the accompanying memorandum, "Your comments would be appreciated". Naturally the company is able to defend itself. Then the moment the defence of the company arrives in the office of the board of transport commissioners a stenographer is again asked to type out a copy of the reply of the B.C. Telephone Company, and this is then forwarded to the complainant as the explanation of the board of transport commissioners in reply to the particular complaint.

This is a racket that ought to be ended. I see in this bill at least one means whereby the public of Canada, if the amendment suggested by the hon. member for Hull is accepted, might for once be able to explore the matter and find out exactly what is happening in the field of telephone companies who, through very devious and clever schemes, have escaped provincial jurisdiction and have managed to end up with the board of transport commissioners becoming their only supervision.

Mr. Caron: Following all this discussion, Mr. Chairman, I move:

That item 15 of the schedule be amended by striking out the word "telephone".

Mr. Fulton: I do not wish to discuss this matter all around again. With respect I think all I should say is that in our judgment it would not be sensible to impose upon these companies a duplicate burden of reporting. We think that information sufficient for the purposes is available or can be obtained. As a matter of fact, we believe there is already available information with respect to them upon which to assess the extent and effect of foreign ownership which is the purpose of this bill. If we find that this information is not available or if, when we come to ask the bureau to collate and compare the information with respect to telephone companies or any other companies with that available from the companies reporting under this bill, they find that there is a gap in their knowledge, then at that time we can amend the schedule in order to remove the exemptions in whole or in part and we would be quite prepared to do that. As I say, I wish to be co-operative. However, I must say as a fact that to date I have not been convinced by the arguments put forward.

Mr. Pickersgill: I am going to try to convince the minister in two ways. I should like the minister—who said he would have the information available at this stage, if I remember correctly—to tell us how much of the B.C. Telephone Company, not according to their balance sheet which has no validity in this House of Commons but according to the records of the board of transport commissioners, is owned outside of Canada. If the minister can give us that information and can satisfy us that the board of transport commissioners already has it in exactly the same form as it is asked for in this bill, then I think his argument would have a good deal of validity. If he cannot do so, then I say that this argument completely falls to the ground.

However, I think it falls to the ground for another and more substantial reason. We have been told that the great majority of the telephone companies of Canada will be obliged to report under this act. All of the little ones will be obliged to do so. There are a great number of these small telephone companies in Ontario and Quebec. There are only five companies that are exempt. One of them is the B.C. Telephone Company. Another is the Bell Telephone Company. Those are two of the biggest concerns in the country. It seems to me that it is a very strange argument for the Minister of Justice to be using when he suggests that the law should compel small companies to do something but that the government should retain it in its discretion to decide whether or not the large companies will be asked to do so. That is the whole gravamen of the minister's argument. He says that they are reporting now. However, he does not say they are giving the same information. In fact, we know very well that they are not giving the same information. We also know very well that there will be no legal obligation upon them to give the same information. All there will be is this. If the government of the day sees fit to cause them to be asked for it, no doubt under the Railway Act the board of transport commissioners—although I am not sure that the government could instruct them in this matter under their own statute—could ask for it. That is, however, a much different matter from the imposing of a legal obligation.

Why should Maritime Telephone Company be obliged to report under this act the precise information the government thinks it wants and it be left completely optional whether the Bell Telephone Company or the British Columbia Telephone Company reports? We know that all these five companies report. One of them, of course, is C.N.T. which would not be obliged to report anyway because it is publicly owned. Hence there are in fact only four. There are four companies, two of them great octopuses, that are being exempted, whereas all the other privately-owned telephone companies in the

country are subject to the law. The situation is not the same as that with regard to express companies. There are only two express companies in the country and they are both subject to the same kind of requirements and to all practical intents and purposes they are completely controlled in Canada, wherever the ownership may be. However, the telephone companies are much different. It seems to me—and I am not trying to put this matter on any other basis than that of equity and fairness—that the same law should apply equally to these legal persons or that there should not be one law for the poor and another law for the rich even in the field of corporations. It seems to me that this amendment is going to impose no great hardship upon the Bell Telephone Company or the B.C. Telephone Company, unless they have something to hide. I therefore hope the minister could reconsider the matter and accept the very reasonable amendment of my hon. friend from Hull.

Mr. Fulton: May I make a correction in what was said because otherwise I think it might leave a wrong impression. The hon. member for Bonavista-Twillingate suggested that I said all other telephone companies would be required to report. I do not think that could be taken from what I said. What I did say was that the only telephone companies exempt from the requirements of this act are those reporting under the Railway Act. However, this must be read subject to head 16 of the schedule which sets a size limit with respect to assets and annual revenue, which also determines whether or not there is an obligation to report. Indeed, I am informed that the great majority of the telephone companies that do not report to the board of transport commissioners are well below that size limit and therefore would not be required to report under this bill, so we are far from having one law for large corporations and another for all the small ones.

Mr. Pickersgill: I concede the minister's point but—

Mr. Fulton: For instance, in the province of Ontario there are approximately 300 small telephone companies of which some 80 per cent operate fewer than 500 telephones each, and obviously none of them would have to report by virtue of head 16 of the schedule.

Mr. Pickersgill: Would the minister think that a telephone company with 500 telephones would not have assets of $500,000? Even one telephone costs quite a lot of money these days.

Mr. Fulton: I doubt it, and certainly I would not think they would have an annual revenue of $500,000.

[Mr. Pickersgill.]

Mr. Pickersgill: Two hundred and fifty thousand dollars.

Mr. Fulton: No, I think my hon. friend is confused. It is a limit of $500,000 with respect to revenue and $250,000 with respect to assets.

Mr. Howard: Mr. Chairman, in the initial stages we expressed on clause 3 the opinion that no matter how iniquitous the bill may be it should still apply fairly and justly to all corporations, and in that sense we would support the idea of the amendment that all telephone companies be required to report. If anybody is going to report, let us make everybody report to the same organization. That was the gist of our views expressed on clause 3. I am not going into our arguments and reasons again. We are in favour of this amendment, even though it is only a small, faltering step toward the objective of bringing all of these exempt corporations under the same law.

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

Mr. Regier: No. The minister has pointed out that he does not want to force duplication of reporting on companies. I wonder whether he can tell the committee how much reporting the B.C. Telephone Company actually does to the board of transport commissioners.

Mr. Fulton: I have placed before the committee in summary form the reporting requirements as contained in the Railway Act. I do not think I can enlighten the committee beyond that. That is where the information is found.

Mr. Regier: If I may pursue this matter for a moment, the hon. member for Bonavista-Twillingate asked the minister how much of the B.C. Telephone Company is Canadian owned and the minister has not yet replied to that question. The minister now says that he has read the pertinent items in the Railway Act. However, as I recall, everything he read merely enabled the board of transport commissioners to require certain things and called upon the company to supply the information if required. I want to know whether the board of transport commissioners has ever requested a balance sheet or operational statement from the B.C. Telephone Company.

As I indicated earlier, I believe the board of transport commissioners does not have the necessary machinery to meet this need, and I believe the hon. member for Hull and the hon. member for Bonavista-Twillingate are perfectly correct in their assertion that this provision is going to require many telephone companies to report, while on the other hand the board of transport commissioners will likely pursue its policy of doing nothing about

its right to require reports with the result that reports will not be forthcoming in the future.

Mr. Fulton: Mr. Chairman, I think the committee should surely be aware that there is a question whether a minister piloting a bill of this sort, which is designed to enable the government to obtain information from companies, and from all companies without discrimination, should really accept an invitation to go into the details of a particular company. With regard to the Bell Telephone Company I had no hesitation because, as I stated, the information I gave was from the company's own published annual report. I do not know precisely the extent to which the B.C. Telephone Company is owned in Canada and if I did I do not think I should single out that company here and give that information.

Mr. Regier: You gave it for the Bell Telephone Company.

Mr. Fulton: I gave it for Bell Telephone because Bell Telephone has published it. I told the committee where I got it from at the beginning, but I do not think I should go through the exercise in the manner suggested, as I would be doing if I accepted the invitation to tell the committee about this or that named company. I am not going to start to do so.

Our object is to place the government in a position where it will have the information. Those parts of it that can be made public in accordance with the act will be available for inspection, and the rest will be information available to the government and published in summary form.

Mr. Pickersgill: The minister has really put forward the most extraordinary argument we have heard in the course of the debate on this bill. He is asking us as a legislative body to exempt four companies only from the operation of this legislation under part 15 of the schedule. There were five companies, but Canadian National Telegraphs would be exempt in any event because it is government owned, so there are only four. The minister says that every other telephone company with revenue of more than half a million dollars must report, and must report its foreign ownership. But surely the only excuse the minister can have for exempting these four companies is if he knows and is able to show us by the figures that these four are already reporting their foreign ownership, not in some document that they themselves circulate to the public and may stop issuing next year, but in a public document in the possession of the board of transport commissioners. Because the only argument the minister has given for exempting them is that they do report to the board of transport commissioners. The whole point is that unless they report precisely the same things to the board of transport commissioners they should not be exempted from this legislation, and it should not be left to the government to treat them as little pets and ask for the information or not as it chooses.

It seems to me that the minister should show us that this precise information is now available, not that it will be some day in the future if the government chooses to act. We do not know how much power the government would have over the board of transport commissioners under other legislation to compel the board to ask for this information. This is a terrible way to leave the law. For the minister to say that he should not give these details is not nearly good enough. After all, we are putting a burden on all these other companies and he is saying that these four should be exempt because they are under the control of the board of transport commissioners. That does not make any difference unless they are now giving or have a legal liability to give to the board of transport commissioners precisely what we are asking other companies like the Maritime Telephone Company to give under this legislation.

Mr. Regier: Mr. Chairman, I want to be fair to the minister. I do not recall his saying that the B.C. Telephone Company reports to the board of transport commissioners. My recollection is that all he said was that they may be required to report and that if requested to report they would have to do so. He was a little vague as to exactly what they would have to report. That is the whole bone of contention as far as I am concerned because I can remember that a number of years ago we had a royal commission in British Columbia to investigate the activities of the B.C. Telephone Company. After only one year of investigation, at fantastic expense to the taxpayers of our province, the royal commission threw up its hands in disgust and admitted utter defeat. They became involved with telephone and telegraph lines in Honolulu during their investigation, so this company is part of an international cartel, as the minister well knows. He knows that our board of transport commissioners has never attempted to get the background of the financial story of this company, and I submit they have the machinery to do so.

The minister now says that a little telephone company relatively speaking, will have to spend hundreds of dollars in accounting fees in order to supply the necessary information which I submit, in the main, will be completely useless so far as the announced

objective of this legislation is concerned. Yet a company like the B.C. Telephone Company, which is very much involved with the announced objective of this legislation is going to be able to continue to escape public knowledge of its operations. In my opinion, this course of action borders on the height of irresponsibility. It reminds me once again of what I said a number of days ago. I am becoming more and more convinced that this whole bill is nothing more than a bunch of political eyewash, intended only for the next election campaign.

Mr. Pickersgill: Will the hon. member for Burnaby-Coquitlam permit me to ask him a question?

Mr. Regier: Yes.

Mr. Pickersgill: Does he not think that this problem about which he is talking, and I agree with what he has said, may be solved by that great, super-socialist, the premier of British Columbia?

Mr. Howard: He is not a socialist, he is a fascist.

Mr. Regier: The B.C. Telephone Company, in my opinion, has been permitted over the years to escape the jurisdiction of our provincial government. I am quite prepared to accept the concept that it might also be nationalized like the B.C. Electric or could be expropriated. However, unfortunately for the telephone users of British Columbia, the B.C. Telephone Company has managed to hoodwink the banking and commerce committee of this house on ever so many occasions, and by slow but sure degrees has completely escaped provincial jurisdiction.

Mr. Fulton: I am sorry the hon. member overlooked the information I gave the committee earlier when I was referring to the Railway Act, where I pointed out that the Bell Telephone Company, being a telephone company covered under the Railway Act, is required—not just "may be called upon" but is required—to report at least annually to the board with regard to its assets, liabilities, capitalization, revenues, etc., in accordance with the forms and classifications for the time being required by the board. Such returns must be made in duplicate under oath.

Then, I did not tell the committee, as I was going quickly in order to summarize, that a duplicate copy of such returns, dated, signed and attested in the manner aforesaid, shall be forwarded by such company to the dominion statistician within one month after the first day of February of each year. There is, therefore, already a duplicate reporting requirement and, in effect, we would be triplicating the requirements. The short answer is that this company, as well as other telephone companies referred to, are required to report such particulars and in such form as may be required by the board. Copies of their returns go to the dominion statistician where they are available for publishing in summary form.

I am satisfied, the more I consider the matter today, that what we are called upon to do in the amendment would be not really asking them to duplicate but to triplicate their reporting burden.

Mr. Pickersgill: I listened carefully to what the minister said about the reporting requirements. There was no mention of the fact the company had to report foreign ownership which, according to the minister, is the real point of this bill. This is the reason we are putting forward this amendment. It is true that they have to report all these other things, but there is not a word there as to how much of it is foreign ownership, which is the whole purpose of this legislation. Here are two great corporations, the Bell Telephone Company and the B.C. Telephone Company, and other companies, that will no longer be required, even if this bill passes, to report on foreign ownership. We say they should not be exempted from that, and it should not be done by this backhanded method, through the council chamber, by the government asking the chairman of the board of transport commissioners to change the forms. Parliament should do it. Parliament is going to make a law for the Maritime Telephone Company and that law should apply to the B.C. Telephone Company and the Bell Telephone Company. They should not be exempted.

Mr. Regier: The minister objects to the company having to make three reports instead of two. I am only a humble member of parliament but I have a secretary in my office and on ever so many occasions she has been able to type out eight copies of a report with no added expense whatever. I fail to see the terrific injustice that the minister implies would be imposed or the burden that would be imposed upon these companies if they had to make these copies available under the terms of this legislation.

There is another point that was raised by the hon. member for Bonavista-Twillingate. The existing demands upon these companies do not call for a proper disclosure of the extent of foreign ownership. This is the whole objective of the bill, according to the introductory statement of the minister. However, he is now willing to accept as adequate, returns that do not include this information.

I can recall a number of occasions when, as a member of the banking and commerce committee, we had the officials of the B.C. Tele-

phone Company before us. On each and every occasion when we opened our questioning by suggesting that possibly the majority of the ownership of the company rested outside of Canada, there was a great show of indignation. We were insulting them by even suggesting that it was not a bona fide Canadian company. After hours, and I can remember one occasion when it took a number of days, the officials of the company were forced, most reluctantly, to admit that the main controls of this company were vested outside of Canada. No Canadian company likes to admit it is not master of its own house, but is a mere appendage of an international cartel.

I can appreciate why the B.C. Telephone officials like to hide the real ownership and real control of the company. I believe that the amendment commends itself to the serious consideration of this house. If the members of this committee take the minister at his word and really believe that this legislation is intended to reveal to the government and to the people of Canada, the extent of foreign ownership and control of companies in Canada, then I fail to see how they can, in good conscience, oppose the amendment now before us. In my opinion if they oppose the amendment proposed by the hon. member for Hull, then they are making a liar out of the minister and they are saying that they do not believe that the minister meant what he said when he introduced this legislation in the first place.

Mr. Fulton: It is not always easy to anticipate precisely the information the committee will be wanting, and I confess not to have anticipated some of it. I had a lot of other information, some of which I have given. I have sent out for further information and I am now in a position to advise the committee that the board of transport commissioners does know the extent of foreign ownership of the telephone companies, and that every time an application is filed for a change of rates, further special returns are made reporting the percentage of their shares held in Canada and abroad. That applies to the B.C. Telephone Company and the Bell Telephone Company. I am also informed, on the basis of information provided to the board, that Canadian control has been increased in recent years.

Mr. Regier: May I ask the minister how many employees the transport board has who have any knowledge or experience in the field of telephones?

Mr. Fulton: I am sure I could not say at the present time.

Mr. Regier: I would submit that there is not one.

Mr. Fulton: That undoubtedly is the hon. member's opinion, but he is not always right.

Mr. Howard: Neither are you.

Amendment (Mr. Caron) negatived: Yeas, 18; nays, 28.

During the taking of the vote:

The Deputy Chairman: I should point out to hon. members who were not in when the vote was called that they will have to remain outside the House of Commons while the vote is being counted.

After the taking of the vote:

Schedule agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read a third time?

Mr. Fulton: By leave now.

Mr. Pickersgill: No, next sitting.

BUSINESS OF THE HOUSE

Hon. Donald M. Fleming (Minister of Finance): Before the house takes up the next order of business I wonder if I might have leave of the house to revert to motions for the purpose of acquainting the house with an announcement.

Mr. Chevrier: If the announcement is going to be what I think it is, then there will be no objection.

Mr. Pickersgill: Make it short.

Mr. Speaker: Has the Minister of Finance leave to revert to motions?

Some hon. Members: Agreed.

THE BUDGET

ANNOUNCEMENT OF PRESENTATION ON TUESDAY, APRIL 10

Hon. Donald M. Fleming (Minister of Finance): I wish to inform the house that, barring unforeseen occurrences, and if it is the pleasure of the house, I hope to introduce the budget on Tuesday evening next, April 10, at eight o'clock.

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

728. Canadian wildlife service—wildlife resources conservation and development, including administration of the Migratory Birds Convention Act—further amount required, $27,000.

Mr. Pickersgill: Before we embark on consideration of this vote I wonder if the parliamentary secretary could give the committee the information that he gave me in a letter about the role of the federal government in the supervision of race track betting. It does not seem to me that it should be given to just one hon. member. It is a matter of general interest, and I would point out that we expedited an item the other day to please the hon. gentleman.

Mr. Bell (Carleton): I shall be glad to do whatever the house wishes, but I would have to have unanimous consent. I fulfilled in detail the commitment which I made to the hon. gentleman, which was that I would be glad to get any additional information for him and send it to him. I sent it to him and fulfilled that commitment. Now I am in the hands of the committee as to whether there would be unanimous consent that I should give the information on this vote.

Mr. Pickersgill: I do not want to enter into a dispute about semantics with the hon. gentleman, who is always very amiable until he gets excited.

Mr. Bell (Carleton): Which is very rarely.

Mr. Pickersgill: I think we should make a lot more speed if he could get unanimous consent, if indeed that is really necessary.

The Deputy Chairman: I do not know to which item the hon. member for Bonavista-Twillingate is referring. Is it an item that has been passed?

Mr. Bell (Carleton): It is an item in agriculture.

The Deputy Chairman: Will the committee give unanimous consent to revert to the item referred to by the parliamentary secretary and the hon. member for Bonavista-Twillingate?

Mr. Bell (Carleton): I hope we would not revert to the item, because the item has been carried.

Mr. Pickersgill: Just let us have the information.

The Deputy Chairman: Will the committee give unanimous consent for this information to be given?

Some hon. Members: Agreed.

Mr. Bell (Carleton): This is a letter dated April 3, 1962, addressed to the Hon. J. W. Pickersgill, M.P., House of Commons, Ottawa, Ontario. It reads:

Dear Jack:

At page 2292 and 2293 of *Hansard* of March 29, 1962, I undertook to send to you further particulars of the role of the federal government in supervision of race track betting.

[Mr. Fleming (Eglinton).]

I would refer you specifically to section 178 of the Criminal Code (statutes of Canada 1953-54).

Where parimutuel systems are operated upon the race course of an association, the association must be incorporated by a special act of parliament of Canada or of the legislature of a province if incorporated on or after May 19, 1947; or, if incorporated before May 19, 1947, that the association has conducted a race meeting with parimutuel betting under the supervision of the Minister of Agriculture at any time after January 1, 1938, but before May 19, 1947; or, that the Minister of Agriculture has before May 19, 1947 made a determination under this section that the provisions of sections 176 and 177 shall not extend to the operation of a parimutuel system. The Criminal Code, section 178, also specifically provides for race meetings at which there are trotting races exclusively where pool selling, betting or wagering is permitted by an association if incorporated in any manner before March 20, 1912 or incorporated after that day by special act of parliament of Canada or of the legislature of a province.

With only three exceptions, the associations have been incorporated by special act of the legislature of a province, or by provincial letters patent. Each charter approves a number of racing days per calendar year under that charter.

Under the Criminal Code, the Minister of Agriculture is responsible for the approval of the parimutuel system and for the supervision of its operation. The minister, as a first responsibility, determines whether the charters held by associations under which they have applied for race track supervision, conform to the rules above stated. The minister establishes current validity of such charters by obtaining an up to date certification from provincial governments. Further, before approving racing dates, the minister satisfies himself that all other requirements under the Criminal Code and under the regulations issued by the Minister of Agriculture under section 178 have been met. These regulations govern the requirements of the parimutuel system, the race track facilities, and the actual conduct of the racing meets.

I am advised that the particular association to which you refer has submitted five charters all issued prior to March 20, 1912 and that these appear to be currently valid in conformity with the principles I have stated. They are being studied by the Department of Agriculture, to whom further inquiry should be made.

Yours sincerely,

Dick

Mr. Pickersgill: I thank the hon. member very much.

Mr. Drysdale: The Liberals are still backing the wrong horses in the next election.

The Deputy Chairman: I might inform the house leader of the official opposition that it is recorded that item 727 was passed on March 30.

Mr. Chevrier: Yes, Your Honour is quite right; I have looked that up. I thought we were still on that item, but apparently it did go through. We are now on item 728, I take it. I wonder if the Minister of Finance would like to add anything to the discussion which took place last Friday concerning wildlife, when certain matters were considered having to do with the vision of the north. I wonder if the minister would care to add

anything to some of the statements that were made, such as going from saloon to saloon and from saloon to mortuary.

Mr. Fleming (Eglinton): Mr. Chairman, I do not profess to be an authority on the subject of wildlife but I am always interested when others are interested in the subject. In a word, I think the committee is well aware of the reasons for the proposals involving the restoration of certain buildings famous in their day. This is strongly recommended in the interests of stimulating the tourist interest. There has been a very substantial tourist interest in the Yukon and it is expected that the restoration of these buildings that were very famous in their day will provide a very great tourist attraction and the expenditure will be repaid in the form of tourist outlays many times over.

Mr. Pickersgill: I would like to ask the minister whether the government got any objective appraisal before undertaking this rather large expenditure of nearly $500,000 which we found a good deal of difficulty in getting the government to admit. Did the government get any objective appraisal as to how many years it would take to recover this investment?

Mr. Fleming (Eglinton): Mr. Chairman, the matter originated with the historic sites and monuments board and it was they who made the proposal to the minister, having first studied the matter and satisfied themselves that this was going to be a paying investment.

Mr. Herridge: Mr. Chairman, I would like to ask the minister a question. Perhaps he can get the information here. With respect to the administration of the Migratory Birds Convention Act, has there ever been an instance in the administration of this act where they have discovered that a migratory bird such as an egret had come from, say North Africa to the North American continent and therefore it was legal to take the feathers from that bird?

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member is away in the clouds soaring high above me in this matter. I am afraid it would be unwise for me to attempt to pursue him into that realm.

Mr. Herridge: I am sorry; I understood that the officials of the wildlife branch were here.

The Deputy Chairman: Shall item 728 carry?

Mr. Herridge: Are there no officials able to give an answer to that question?

Mr. Fleming (Eglinton): I will give the hon. member such information as has been furished to me. The field program was planned and carried out to gather information on the distribution of sandhill cranes in the Last Mountain lake area of Saskatchewan during the time crops are subject to damage and to assess the effectiveness of control methods on reducing any damage that might occur.

Because of favourable weather conditions for harvesting, the cranes did not carry out a large amount of damage. The test of observation and data collecting techniques and of damage control methods provided much useful information.

Mr. Herridge: Mr. Chairman, are the officials unable to answer my question? Have there been instances of birds coming from other continents being destroyed in Canada and the feathers taken, and therefore this action being legal—I refer to birds such as egrets—because they did not come under the terms of this act?

Mr. Fleming (Eglinton): Mr. Chairman, the subject is a somewhat abstruse one. I will communicate with the division of the department concerned and ask that that information, if available, be furnished to the hon. gentleman.

Mr. Herridge: Thank you.

The Deputy Chairman: Shall vote 728 carry?

Mr. Fisher: Mr. Chairman, I just want to ask the minister if he could give me any indication as to the status of the eiderdown collection situation in the St. Lawrence river area at the present time. It is a matter I have been interested in for several years; I mean, seriously. The present arrangement, as I understand it, is one in which the licence is issued by the Quebec government. There was some controversy as to the right of the licensee. This was when the old administration was in charge in the province of Quebec. I am referring to the Duplessis administration. What I am curious about is as to whether there has been any change since the new government took over in Quebec in connection with this franchise, or licence, or whatever it is. I understand that the Canadian wildlife service have a certain responsibilty with regard to this matter because these are migratory birds. I would appreciate having information on this matter.

Mr. Fleming (Eglinton): No, sir; no change.

Mr. Fisher: Thank you.

Item agreed to.

Water resources branch—

729. Administration, operation and maintenance—further amount required, $50,000.

Mr. Chevrier: Mr. Chairman, this vote covers a matter which is, I think, of immediate concern to those of us who reside in the Montreal area. The minister will probably remember that last year prior to the spring freshets the level of the water in the port of Montreal was very seriously affected and—

Mr. Jones: Only four Liberals here.

Mr. Chevrier: —the reason was that the plan for the control of the downstream interests and the downstream levels at Montreal was not working out to the satisfaction of the international St. Lawrence river board of control. What I have to say is of course not in the slightest degree critical of this board because I think they and their predecessors have done very good work in an effort to protect the downstream interests as well as the upstream interests. My reason for raising the matter is to ask one or two questions upon which I hope I can get some elucidation. First, about this plan which has been in operation for some time, namely, plan 1958-A which was to have been amended by the Canadian section in co-operation with the United States section of the international St. Lawrence river board of control in order to find a better method of protecting the navigation interests, upstream as well as downstream. My question is: has the amendment to this plan been made?

While the minister is waiting for his officials, perhaps I may raise the other matter I have in mind. As a result of the difficulties which were experienced in Montreal harbour in the closing weeks of navigation in the 1960 season under plan of regulation 1958-A, the international joint commission at its April 1961 meeting gave to the board of control some discretionary authority under that plan whereby some additional storage could be accumulated on lake Ontario during the high supply months for release out of the St. Lawrence river during the low waterfall months. I am informed that under this authority the board has accumulated during the past summer 0.3 foot of storage on lake Ontario. This depth on the lake is equivalent to 104,000 cubic feet per second for one week, or sufficient to raise the level of Montreal harbour one foot for somewhat more than five weeks. The question is: has there been a greater amount of water stored in lake Ontario, not only for the protection of the downstream interests at Montreal but also for the protection of the interests on lake St. Francis and in the Cornwall area?

Mr. Fleming (Eglinton): I must apologize to the hon. member. The official who has this information has apparently got lost between the gallery and the floor. He has not arrived.

[Mr. Fisher.]

I wonder if the hon. member would permit me to convey the answers to these questions to him.

Mr. Chevrier: Yes, that would be agreeable. However, there are one or two other matters which arise. It has been found that there is not a sufficient amount of flow coming into the river following the plan which was established by the international board of control. The question arises as to whether or not there will be additional quantities of water diverted from lake Ontario into the St. Lawrence river so as to increase the flow in the low water period in order to protect navigation and, secondly, to protect power development as well.

Mr. Fleming (Eglinton): I shall be glad to undertake that this information will be communicated to the hon. member.

Mr. Herridge: This item is in connection with professional and special services, water resources branch. I presume it has something to do with the salaries paid to the technical people upon whom this government has relied for advice in connection with the Columbia river treaty proposals.

I should like to bring to the minister's attention an item in today's *Citizen* which appears under the heading: "Columbia Pact —McNaughton Says Canada Sold Out". It reads in part:

> General A. G. L. McNaughton, retiring chairman of the Canadian section of the international joint commission, said today that the Columbia river treaty amounts to "servitude in perpetuity of our vital rights and interests."

The report goes on to say:

> The 75-year-old former wartime army leader and defence minister lashed out against the negotiators of the Columbia treaty on the grounds that they had departed from the principles based on engineering studies laid down by the I.J.C.

General McNaughton goes on to say:

> The Canadian negotiators were a house divided against itself, unskilled and uninformed in its representatives. They opened a situation for the Americans to exploit and I can't blame the Americans for doing so.

The article continues:

> At another point in an interview here prior to his return to Ottawa, General McNaughton reiterated the charge in these words: "The Americans saw we were a house divided against itself—they moved in on these people and skinned them alive.

These are very serious charges coming from a person who has had the longest acquaintance with proposals for the development of this river in various ways. There is another aspect of this question. Other people have come to me and told me they have visited the water resources branch seeking information with respect to certain aspects of this treaty but were unable to get it. I

want to ask the minister if he has any comments to make on General McNaughton's charges as reported in the *Citizen* this afternoon.

Mr. Fleming (Eglinton): I do not think it would be appropriate at this stage for me to make any extended comment on this matter. I do not think, strictly speaking, it arises on this item, which is one in respect of engineering services retained in connection with the making of a report—a report which has since been made public and with which I am sure the hon. member is familiar.

With regard to the article which the hon. member has read, I have not seen it myself, and I think, in fairness, I should not attempt to comment on it in an extended way until I have actually seen it. It is well known, I believe, that General McNaughton and the international joint commission were in touch at all times with the negotiations which led up to the treaty being signed. The view that General McNaughton held originally was one which preferred a different type of undertaking with respect to certain of the courses and reservoirs. My information is that since it was not possible to bring about agreement on the basis which General McNaughton favoured it was necessary, as so often happens, to accept something different.

Here were two governments of two sovereign countries negotiating. Neither one of them could have its own way in all matters, and in the end the particular way which General McNaughton favoured was not possible because there could never have been an agreement between the two countries on that basis. My information is that, no agreement being possible on the basis which he would have preferred, General McNaughton went along then with the proposals which were developed as a substitute. Certainly his advice was made available on that basis.

No one questions the right of General McNaughton to retain his view that something different would have been better, but the fact is that the course he favoured could not have been the subject of agreement. Various differences were made the subject of negotiation and in the end a treaty was arrived at on the only basis which proved to be possible.

Mr. Herridge: I do not wish to take up the time of the committee on this problem now because I am sure the subject will be discussed throughout the country in view of the great respect in which General McNaughton's views are held. However, I am interested in what the minister has to say because I was reliably informed that the change of direction occurred on the insistence of the government of British Columbia which wanted to build a high dam as against the sequence proposed by General McNaughton.

Mr. Fleming (Eglinton): Let me clear up that question. The views of the government of British Columbia certainly entered into this. There were three governments involved all of which had views as to the optimum course. What was achieved in the end was the only basis on which agreement could be reached.

The Deputy Chairman: Shall vote 729 carry?

Mr. Chevrier: If I may, I should like to revert for just a moment to the matter which I raised originally. I should like to commend the government. I do not do that very often. However, I should like to commend the government in connection with their decision to establish a full time office located at Cornwall, the primary duties of which are concerned with the objectives involved in the regulation of the St. Lawrence flows having in mind all of the criteria which the international joint commission and the two federal governments have laid down for the protection of the interests all the way from lake Ontario to Montreal harbour.

The minister will probably remember that the board of control was established by order of the international joint commission to supervise during construction the works of both power and navigation in the international section and also to supervise water limits and the flows from lake Ontario downstream. I have no hesitation in saying this.

Had we been in office, having established this board originally and having located the survey headquarters at Cornwall we would have wanted to set up an office to carry out the responsibilities after construction, as has been done under the circumstances. I am grateful to the Minister of Northern Affairs and National Resources who was good enough to advise me that this was being done. In fact, I understand now that it has been done and that there is an office with a staff comprised of some four or five technical personnel, with one engineer in charge, whose duties and responsibilities are to supervise water levels and the flow of water. That is a decision which is all to the good. I think it will have a great bearing and influence on the implementation of the plan which was established by the board of control, and any amended plan. The minister, of course, said he did not have his officers with him here and could not give me details of whether or not the plan had been amended. I understand that it has been amended. Perhaps, he can tell me in what manner it has been amended. I think, however, the decision to have a technical

group of officers which will regulate the discharge of water is all to the good. I trust that it will have the effect of protecting the downstream interests at Montreal, the power interests at Beauharnois and the other navigation interests upstream.

Mr. Herridge: I just wish to make one other comment. I wish I could use the name of the senator to whom I shall refer. However, I discussed this question with a very well known senator in the United States and he said this to me, "Mr. Herridge, we were amazed at the developments in the negotiations. The Canadian negotiators threw General McNaughton's aces away all in the first throw".

Mr. Fleming (Eglinton): I have explained the difference in points of view on this matter. Anyone can take a particular point of view and say, "This is right". It is probably only natural for each individual to hold firmly to his own point of view. However, when you come into the field of negotiation where different interests are involved and consequently different points of view, it does not follow that the point of view of a particular individual is bound to prevail. All of these points of view were carefully considered. Canada was represented by an extremely competent negotiating team, including the highly competent officials of the Department of Northern Affairs and National Resources and others. I must take firmly the position that Canada was ably, competently and sufficiently represented in these negotiations. The treaty itself is one which, if implementation may follow, we believe to be of definite and clear advantage to Canada. That is not to say that, had we had our own way in all respects we could not have done something a little bit different. However, the fact is that after extended negotiations, with three governments involved, the treaty represents the one basis upon which agreement could be arrived at.

Mr. Herridge: I have one more question. Before ratification occurs in the house at some future time, will the government refer the treaty to the external affairs committee? If so, will the committee, if it wishes it, have the opportunity to hear General McNaughton?

Mr. Fleming (Eglinton): I think that is a question that might more properly be asked on some other occasion. It does not relate to this particular item which, after all, is an item dealing with payment for services of a particular engineering firm who wrote the report. The hon. member will have ample opportunity to ask his question or to press his point of view on this matter.

[Mr. Chevrier.]

Mr. Pickersgill: I am really rising to say something about another matter, Mr. Chairman. However, before doing so, may I say that I think this whole business illustrates how unwise it was for the government to enter into a treaty with the United States before reaching a really ironclad undertaking with the province of British Columbia. If they had followed the excellent example given them by my hon. friend from Laurier and by the Leader of the Opposition when they were in charge of the St. Lawrence treaty, they would have had everything signed, sealed and delivered by the province before they pledged the word of Canada. I must say that for this unseemly haste and bungling at the end of this whole matter they seem to be reaping the reward that such ineptitude properly deserves.

However, it was not for that purpose I rose to speak. It was to speak about the negotiation that has been going on ever since the present government of Manitoba came into office—I was going to say ever since the present government came into office—with regard to the Winnipeg floodway. On the orders of the day I asked the Minister of Northern Affairs and National Resources a question about when this agreement is likely to be reached. I pursued the matter as far as I could pursue it on the orders of the day. I had hoped that the minister would be here because, as a Manitoban, he would probably be more familiar with the matter than would the Minister of Finance, although I think there are many people who believe that the Minister of Finance is the real log jam in this transaction. Rightly or wrongly, I believe that is the general view in Manitoba.

I have in my hand a clipping from the Winnipeg *Tribune* and I took it advisedly from the *Tribune* and not from the *Free Press,* containing an account of what took place in the legislature about this matter the other day. This is from the Winnipeg *Tribune* of March 27. I do not wish to waste much time on this matter; I just wish to get some information. This report states as follows:

> No written, final agreement has been made with Ottawa, Premier Roblin said. But he assured the house that official agreement would be wrapped up before a federal election, even if it is held in June.

I must say that it is refreshing to find how much more the premier of Manitoba knows about what this government's intentions are than does the House of Commons itself or perhaps even by this government itself. However, Mr. Roblin spoke with great conviction that agreement would be wrapped up. By

"wrapped up" I presume what is meant is that it would be signed. The report goes on to state this:

> At first Mr. Roblin refused to answer opposition questions concerning a possible "upper limit" on federal cost sharing.
>
> He insisted details of final negotiations had to remain secret.

I must say that this business of secrecy seems to have extended into a very wide field in these days. The report continues:

> But he did have written agreement approving the cost sharing in principle.

I wonder whether the minister would tell us what this written agreement is, approving cost sharing in principle, what the principle is and whether the federal government has in fact put an upper limit on the expenditures it is prepared to make?

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member has spoken of two matters. With reference to his first observations, I wish to say very briefly that there was no bungling or ineptitude in relation to the treaty. The fact is that the government of British Columbia participated in all the negotiations and all of the steps leading up to the drafting of the treaty. They were parties to all of those steps and all of the agreements antecedent to the treaty. I wish to put that clearly on record in correction of the statements made by the hon. member.

With regard to the second matter he raised, may I say that there is no firm, written agreement signed yet, but it is expected that the agreement will be signed soon. The matter is a very important one and there have been discussions and negotiations over a period of time. We understand that we are close to the signing of the agreement. As to specific terms, I think it would not be appropriate for me to comment on terms until the matter emerges from the stage of negotiation and becomes a matter of a written agreement. The hon. member can be very sure that when the agreement has been entered into it will be made public.

Mr. Pickersgill: On that very point, Mr. Chairman, surely we can be told as much as Mr. Roblin told the Manitoba legislature. Mr. Roblin said, according to this statement which I am sure is accurate, that he did have a written agreement approving cost sharing in principle. Can the minister tell us what the nature of that agreement is? It is a written agreement and surely if the Manitoba legislature can be told this we can be told it. Mr. Roblin also indicated, though he did not precisely say, that there was an upper limit on the federal cost sharing. Surely the minister can tell us whether or not there is such a limit.

Mr. Fleming (Eglinton): Obviously this is an essential term and one of the matters that has been under discussion, and it just is not appropriate to discuss terms that are under negotiation and discussion until the agreement has been concluded. I have tried to indicate that I do not think this will be long. The negotiations have reached quite an advanced stage but until the agreement has been signed I think the committee will appreciate why it is not appropriate to attempt to discuss views on particular terms.

Mr. Pickersgill: It seems to have taken a tremendously long time for these two Tory governments to get together about a matter that is very essential to the people of Manitoba and about which Mr. Roblin was very critical of his predecessors, who made a great deal more haste than he seems to have been able to make with his friends here in Ottawa.

Mr. Chevrier: The minister said it would not be proper to make known the terms of the agreement that the federal government has entered into with the government of the province of British Columbia and I agree that perhaps that is the right position. However, prior to the signing of the treaty between Canada and the United States there was certain information available and some sort of understanding, if there was no written agreement. If it is not possible for the minister to give the terms now, I wonder why he cannot tell the house how the agreement which is about to be signed or will be signed in the near future differs from that contained in the treaty which has not yet been ratified.

Mr. Fleming (Eglinton): I think there is some confusion here. We have been talking about two different things. My remarks, which have been paraphrased by the hon. member, related to the negotiations between the government of Canada and the government of Manitoba in relation to the Winnipeg floodway system. We had been talking earlier about the Columbia treaty.

Mr. Chevrier: Perhaps I misunderstood the minister. Then there has been no agreement reached between the federal government and the province of British Columbia with reference to the Columbia river project.

Mr. Fleming (Eglinton): Prior to the signing of the treaty the federal government fully understood that the government of the province was completely in accord with the terms of the treaty. The position having been taken by the government of British Columbia that they are not in accord, efforts have been made by me to arrive at an accord. That has been the aim of the federal government in the discussions I have been holding with Premier Bennett.

Mr. Chevrier: Is there likely to be an accord soon and is that what the minister said a moment ago?

Mr. Fleming (Eglinton): No, what I said in that regard was said concerning the negotiations with the government of Manitoba. When I said we look forward to an agreement soon, I was speaking of negotiations with the government of Manitoba.

Mr. Chevrier: What is the position with reference to British Columbia?

Mr. Fleming (Eglinton): The hon. member has heard the reports I have given to the house on the series of meetings I have held with Premier Bennett and, as I repeated in the house yesterday in reply to a question from the hon. member for Kootenay West, I expect to have further meetings with Premier Bennett.

Mr. Chevrier: Is there any possibility of the minister telling the committee whether an agreement might be reached in the near future and can he say whether or not the agreement he hopes to achieve will be different from that contained in the treaty?

Mr. Fleming (Eglinton): I do not know how soon agreement can be reached. I know I have been applying the best efforts of which I am capable in that direction and I have no doubt it is the wish and hope of Premier Bennett that there may be an agreement soon. But the question is, on what terms or on whose terms; and among other questions is the fundamental one as to the manner in which and the party by which the obligations to be assumed by Canada under the treaty with the United States are to be carried out.

Mr. Chevrier: I take it from what the minister has said that the agreement will be on terms different from those contained in the treaty, and that raises the question—

Mr. Fleming (Eglinton): I did not say that.

Mr. Chevrier: No, I am saying that arising out of what the minister said, and if I am wrong the minister can correct me. If that should be the case, and there is a probability of it, does that mean that the government will have to renegotiate the treaty with the United States?

Mr. Fleming (Eglinton): No, I do not think the hon. member has correctly interpreted what I had to say. I was pointing out that we are discussing the questions of terms and the implementation of Canadian obligations under the treaty, because these are obligations in relation to various matters which would normally be discharged by the provincial government. I have emphasized that the government of the province was a party to all negotiations leading up to the treaty and all of the decisions which were taken from time to time and which culminated in the terms of the treaty.

Mr. Herridge: Mr. Chairman, did the minister's officials in the water resources branch in arriving at the cost of the High Arrow dam make allowance for $25 million which the Celgar Corporation says it will cost to put in the equipment to take their logs over the dam if it is to be automatic?

Mr. Fleming (Eglinton): The answer is no.

Mr. Pickersgill: I should like to say a word in addition to what the hon. member for Laurier said. He was obviously too modest to make this point. The minister said that there had been no bungling about this matter.

Mr. Herridge: One dam, $25 million.

Mr. Pickersgill: That is only a detail. Here, there is a transaction involving the good name of Canada. When my hon. friend negotiated with Ontario hydro prior to the signing to the St. Lawrence arrangement, the whole agreement with Ontario was drawn up and signed in the Prime Minister's office before the agreement with the United States was signed. There was no doubt about it. It was not some assumption resulting from civil servants taking part in negotiations with a province, that the province was going ahead with it.

Mr. Lambert: What about provincial cabinet ministers?

Mr. Pickersgill: Provincial cabinet ministers? Judging from what some of the cabinet ministers in this house say when they get out at large, I am sure the Prime Minister would hate to be committed, for example, by the Associate Minister of National Defence when he acts as secretary of state for external affairs and talks about our relations with other countries.

The right way to have done this thing would have been to have an agreement signed between British Columbia and the federal government so that the people—

Mr. Herridge: And the facts known first.

Mr. Pickersgill: The hon. member for Kootenay West says, "And the facts known first". They could hardly have signed an agreement unless the facts were in it. In any event, the good name of Canada should not have been put to a treaty with the United States until there was a signed and sealed agreement with the province that would be carried out. If that had been done, it might have taken a few more weeks or a few more months, but at least when it was done it could have been proceeded with instead of having this unseemly wrangling between the provincial government and the government of

Canada. This welching on our word to the United States, and this whole deplorable mess, is one of the worst bungles in the whole history of our relations with the United States and of the relations of the federal government with the provinces.

Mr. Fleming (Eglinton): It is necessary to correct these wild statements of the hon. member for Bonavista-Twillingate. This was not a matter of some civil servants meeting together. The government of British Columbia was represented in these negotiations by two ministers, two very eminent ministers, Mr. Williston and Mr. Bonner. They participated throughout. There was no bungling and the good name of Canada has not been dishonoured in any respect. An agreement was entered into in the form of this treaty. There has been no dishonouring of an obligation at all. The good name of Canada continues to be good. The honour of Canada is unimpaired, Mr. Chairman.

Now, it is regrettable that there has been delay. This delay is due, I assure you, to no fault on the part of the federal government.

Mr. Martin (Essex East): Whose fault is it?

Mr. Pickersgill: You should have nailed them down in the first place.

Mr. Fleming (Eglinton): The hon. member talks about nailing people down. It is all very well to talk about nailing people down, but that is not the way in which you proceed in negotiations with sovereign governments if you wish to achieve agreement.

We believe that the agreement that was negotiated is of advantage and benefit to Canada. Even if it may seem difficult and take a great deal of effort, we are going to persevere in our efforts to bring about a project we believe to be of very great advantage to Canada and to the people of British Columbia.

Mr. Chevrier: May I ask the minister one or two more questions in this regard? When the treaty was signed between the federal authorities and the United States authorities in Washington, did any of the British Columbia representatives go along with the Canadian delegation?

Mr. Fleming (Eglinton): I understand that none was present at the signing, although I believe they had been invited. The hon. member is aware, from previous reports that have been made to the house and correspondence that was tabled, that the letter from Premier Bennett which indicated for the first time a measure of dissent from the firm understanding which had prevailed, arrived in Ottawa while the Prime Minister, to the knowledge of the government of British Columbia, was actually en route to Washington to sign the treaty with President Eisenhower.

Mr. Chevrier: There are one or two other matters that arise out of this. The minister has said that the good name of Canada has not been affected. I will not enter into contentious debate because I admire the manner in which the minister is attempting to get his estimates through at the moment. He is not always in this non-contentious mood. I commend him for it because I think there is great progress to be obtained under those circumstances.

The point is related to the statement of the hon. member for Bonavista-Twillingate and the minister's reply. The minister will, of course, remember what the secretary of the interior, Mr. Udall, said when he complained rather bitterly, and publicly, about the delay of the government of Canada in fulfilling its responsibilities and obligations in connection with the treaty. This, as the minister knows, brought a retort from the Minister of Justice who, in effect, told this United States cabinet minister to mind his own business. I bring this up because, certainly, it is not tantamount to giving Canada a good name outside of our own country. If, in fact, a treaty was signed many, many months ago, and has not been submitted to parliament, either because there was no agreement between the province and the federal government or for other reasons which we shall not discuss at the moment, does the minister not think it would have been far better to have had an agreement in writing, signed and ratified by parliament, with the province prior to the signing of the treaty in Washington?

Mr. Fleming (Eglinton): It is pleasant, Mr. Chairman, to speculate on how things might be done if one had the opportunity of creating events in the pleasantest and most suitable way. However, the fact is that there had been, as I pointed out, a complete measure of understanding between the government of British Columbia and the government of Canada right up until the day before the treaty was signed. It was in the light of that knowledge that the plans were made for the signing of the treaty, and the terms of the treaty. As I have said, the negotiations were completely known to the ministerial representatives of the province and they had been parties to all the decisions which were involved that led up to this final act.

Now, the hon. member refers to secretary Udall. I think it only fair to say that Mr. Udall felt he had been somewhat misreported in the press because he had not attempted,

as he put it, or intended to convey the impression that he was trying to lecture Canada. The situation is simply this: The United States proceeded expeditiously to ratify the treaty. I give them full credit for that. They were in a position to do so. They did not have to deal with the government of a state. I think it only fair to remind the hon. member, particularly when he talks about the St. Lawrence seaway, that in that particular case a treaty entered into in 1932 was not ratified by the United States senate for over 20 years, or something like that.

Mr. Pickersgill: It was never ratified.

Mr. Fleming (Eglinton): It was never ratified and the agreement of 1941 was not ratified either; and I do not know that anyone said that this besmirched the good name of the United States. The fact is that the Columbia river treaty will not become final, in a binding sense, in Canada until ratification; and the efforts that have been made on behalf of the federal government are designed to bring about the necessary understanding and agreements with the province in order that by ratification and all other necessary steps this great beneficial project may be undertaken.

Mr. Chevrier: The minister has referred to something having been said by me about the St. Lawrence seaway. I did not raise the question of the St. Lawrence seaway.

Mr. Fleming (Eglinton): I am sorry; it was the hon. member for Bonavista-Twillingate who made reference to the part that the hon. member for Laurier had played, the course he had taken in the fulfilment of that treaty, and the steps that had been taken in negotiations with the government of the province party thereto.

Mr. Pickersgill: With great benefit to Canada.

Mr. Chevrier: The minister is in error in stating what had been done in regard to the treaties of 1932 and 1941. The minister did not say that the treaty of 1932, which was signed by Canada and the United States, was first submitted to the United States senate where it lacked the necessary two thirds majority. It was therefore never approved by the government of the United States, and so this treaty cannot be compared to it. So far as the 1941 agreement was concerned—

Mr. Fleming (Eglinton): Will the hon. member permit me to point out that the comparison was in the delay on the part of one of the contracting parties in proceeding to complete ratification?

[Mr. Fleming (Eglinton).]

Mr. Chevrier: I shall come to that in a moment, but I think that on reading the record one could come to no other conclusion than that I have come to. Before speaking of delay I would also remind the minister that the 1941 agreement was submitted to the United States congress in many different forms on several occasions, and it was neither rejected nor ratified by the United States congress.

So far as the delay is concerned I would point out to the minister that this project was studied by any number of international commissions and it was not until 1952 that a new approach was brought into being, namely a joint application to the international joint commission. That was submitted by the governments of Canada and the United States, and it admitted that the two governments were really seized with the problem. Also, before the joint application of Canada and the United States was submitted, an agreement had been entered into and signed between Canada and the province of Ontario and was approved of by this house.

Mr. Herridge: I wish to say briefly that I think the government of Canada acted in good faith. It accepted the word of the negotiators from British Columbia, and unfortunately accepted the advice of the water resources branch as to this being a good treaty for Canada.

Does the minister know that Premier Bennett has said that this treaty was signed by Canada when it did not even know for certain where it could build the dams? Premier Bennett has also said that it has cost him $500,000 a month for the last 10 months to determine the sites for the dams mentioned in the treaty. Does the minister know there has never been a survey or assessment made of the value of land and forests to be destroyed, or an assessment made of the compensation to be paid to industry, farmers and residents, or of the cost of rebuilding roads? None of these estimates have been made. I am quite sure the federal government was misled in this respect, and I do not blame the federal government at all.

Does the government know that other engineering firms have estimated the cost of these dams at $100 million higher than was first thought, and that for the High Arrow dam there is an estimate of $25 million capital cost for putting close to one million feet of logs over the dam every day, either $25 million in one lump sum, or $3 million to $4 million with the provincial government having to pay $500,000 a year to the companies for the cost of moving these logs? This is something the water resources branch knew nothing about.

In view of the fact that the federal government was not aware of these facts and that its officials did not know of them, how could anyone say this is a good treaty for Canada when the costs continue to climb all the time? Prominent engineers have studied this matter. I have received letters from a number of them in Ontario, Quebec and other places. I just mention this in order to say that I think the treaty was signed without a full knowledge of the facts and costs.

So far as Dr. Keenleyside is concerned, I do not know what dams he has built in the past. The minister can read an editorial about him in *The Province*. He has been telling people that this is a good treaty and this is what the federal government wanted, and I have had to contradict him on that point.

I am concerned with this matter. I represent a lot of people who will be affected, and I would say this stalemate provides a good opportunity for the federal government to renegotiate the treaty, to get the facts as to costs, and then proceed on a much sounder basis than we have had in the past. I also suggest that before any further negotiations are carried on, or alterations made in the treaty, we should have a firm agreement with the government of British Columbia.

Mr. Chevrier: May I ask the minister a question in connection with the incident which happened prior to the signing of the treaty? I think the minister said that a letter came from the premier of British Columbia at the time, or just about the time, that the Prime Minister was leaving to sign the treaty. The minister has mentioned this previously but I am not too clear about one point. Did that letter change the understanding with British Columbia materially in so far as the federal government was concerned?

Mr. Fleming (Eglinton): The letter is on the record. A copy of it is on the records of the house.

Mr. Chevrier: I have not got it before me.

Mr. Fleming (Eglinton): It was tabled a long time ago and I invite the hon. member to look at it.

May I say very briefly in reply to the hon. member for Kootenay West that I do not think his appraisal of the situation is fair or accurate.

Mr. Herridge: It was admitted in evidence before the hearings on the Arrow lakes.

Mr. Fleming (Eglinton): The hon. member talks about an admission in evidence. It depends who makes the admission.

Mr. Herridge: The great Dr. Keenleyside.

Mr. Fleming (Eglinton): Dr. Keenleyside does not represent the federal government. An admission on the part of Dr. Keenleyside is not an admission that affects the federal government. The fact is that, in the ordinary course, preliminary investigations had been made in relation to matters of an engineering nature that entered into a decision that had to be made. There is a great deal of engineering that obviously had to be undertaken by the provincial government, and that has been going on since. I can assure the hon. member that no time has been lost in that respect. I can assure him that the engineering work has been proceeding and it had to be done before any construction could be undertaken.

Mr. Herridge: We need to esimate the cost.

Mr. Fleming (Eglinton): No time has been lost, and to give the hon. member an idea of the amount of effort put into this study, the federal government has spent something like $4 million in the studies. We do not at all accept or share the view put forward by the hon. member that the federal advisers have misled the government or have been incompetent or were misinformed. We do not agree with him in those assertions for one minute.

Mr. Herridge: A number of prominent engineers in Canada do.

Mr. Fleming (Eglinton): All right; in a matter of this kind, where the views of experts are put forward, it is not unusual to find some differences of opinion. But we have chosen to follow advice that we think is competent and sound, and we think it has been fully supported and buttressed by engineering evidence.

Mr. Chairman, in pleading for discussion relevant to the item may I say that with regard to the report that this item is intended to pay for, the Montreal engineering firm staunchly supports the view that led the government to sign this treaty in the belief that it is one of very great potential benefit to Canada and to British Columbia.

Mr. Chevrier: Mr. Chairman, the minister gave me a rather curt reply a minute ago.

Mr. Fleming (Eglinton): Not intentionally.

Mr. Chevrier: I thank the minister for that. However, the minister has said, "Look it up in *Hansard* and you will find the letter". I suppose I could do that. I have seen it and I have to draw on my memory, but I think the letter to which the minister refers changed the terms of the understanding between the government of British Columbia and the federal government. If that is the case, as I presume it is, then why did not the government turn back, in the light of that letter,

and not proceed with the signing of the treaty; because it looks to me as if the Prime Minister was most anxious and in great haste to sign this treaty with the Eisenhower government, either because the Eisenhower government was about to retire or because he was anxious to hail this as one of the greatest international projects ever signed between Canada and the United States.

In any event, the Prime Minister probably thought that he should go on with the wedding even though the bride was not there. My purpose in rising a second time is to ask the minister why the government did not, in the light of the letter which it had received, turn back and start negotiations anew with the province of British Columbia toward the end of obtaining a firm agreement.

Mr. Fleming (Eglinton): Mr. Chairman, I informed the committee a few moments ago that when that letter reached Ottawa the Prime Minister was already en route to Washington for the purpose of signing that treaty in accordance with arrangements made prior to that date to the knowledge of all of the parties, including the government of British Columbia.

If the hon. member will refresh his memory by referring to the terms of that letter, I think he will concur in the view that the Canadian government took, that that letter could not be accepted as a change in the course of agreement and understanding between the governments of Canada and British Columbia which had led up to that agreement and the preparations for the signing of the treaty, understandings that had been embodied in the terms of the treaty, for the signing of which arrangements had already then been made.

Mr. Pickersgill: Mr. Chairman, it seems to me that the minister is being very naive when he says that. Why on earth did the premier of British Columbia write this letter, obviously indicating that he was not satisfied, if he really was satisfied? It is just ridiculous.

The hon. member for Laurier said that the Prime Minister went through the wedding without the bride. That is one way of putting it. Another way is that the Prime Minister was attempting to play Hamlet without the Prince of Denmark, and what a Prince of Denmark Mr. Bennett has turned out to be.

Mr. Chevrier: There are one or two other matters that I think should engage the attention of the committee.

Mr. Grafftey: "To be, or not to be".

Mr. Pickersgill: Yes, "To be, or not to be".

Mr. Chevrier: I should like to ask the minister, what is the view of the federal government with reference to the export of power?

[Mr. Chevrier.]

Has the view of the federal government changed in that respect. If I remember aright statements that were made from time to time by the Minister of Justice, I believe, and perhaps by the Minister of Finance—I am not too sure—certainly outside the house, if not within the house, that there was at the beginning some serious objection being taken by the present government to the export of power. That now seems to have been amended in some respect by statements that I have seen. I wonder whether the minister would care to comment on the view of the federal government at the present time with reference to the export of power.

Mr. Fleming (Eglinton): Mr. Chairman, the view of the present government is well known and has been clearly stated. The house dealt with legislation on this very subject three years ago and it made provision, in establishing the national energy board, for review by that board of applications for permits to export various forms of energy, including electric power. Various applications under the terms of that legislation have been heard by the board and have been approved, and the governor in council has given approval to various of those applications involving the export of power.

Mr. Chevrier: May I ask the minister whether he has a secret agreement with the premier of British Columbia which will not be disclosed until after the election?

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): There is no secret agreement that I am aware of.

Mr. Pickersgill: Is there any agreement, secret or otherwise?

Mr. Fleming (Eglinton): Mr. Chairman, the federal government is applying its best efforts to achieve agreement in order to get this great and beneficial undertaking launched.

Mr. Chevrier: Is it the intention of the government, in relation to the last but one answer which the minister gave, that with reference to the export of power each application for the export of power will be dealt with on its merits?

Mr. Fleming (Eglinton): Of course, Mr. Chairman, that is the duty of the board under the statute, to deal with each application on its merits.

The Deputy Chairman: Shall vote 729 carry?

Mr. Pickersgill: No.

Mr. Herridge: Five o'clock.

Mr. Pickersgill: This is a very important question; the Prime Minister said so himself.

Item stands.

The Deputy Chairman: In order that the house may proceed to the consideration of private members' business pursuant to section 3 of standing order 15, it is my duty to rise, report a certain resolution and request leave to sit again later this day or at the next sitting of the house, as the case may be.

Resolution adopted in committee of supply this day reported and concurred in.

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

PRIVATE BILLS

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): Mr. Speaker, the hon. member for Timiskaming (Mr. Peters), in whose name items Nos. 1, 2, 3 and 5 of the public bills on today's order paper stand, has kindly agreed that these might stand aside without otherwise losing their places, if the house would give its unanimous consent, in order to allow item No. 4 in my name, and item No. 6 in the name of my hon. friend from Nanaimo, to now be called.

Mr. Fisher: Mr. Speaker, I wonder if the house would also be agreeable to calling item No. 7 after items Nos. 4 and 6? My hon. friend from Timiskaming has also agreed that it should be called. I wonder if the house would consider that also.

Mr. Churchill: That is entirely different.

Some hon. Members: Agreed.

Mr. Speaker: It is suggested that by unanimous consent the order of business in connection with public bills be altered and that we should deal with the items on today's list in the following order—No. 4 standing in the name of the hon. member for Halifax, No. 6 standing in the name of the hon. member for Nanaimo, and No. 7 standing in the name of the hon. member for Port Arthur. The hon. member principally concerned has agreed. Does the house give consent to this order of business?

Mr. Churchill: It is all right for two of them. It is all right for Bill No. C-34 and Bill No. C-46, both of which are changing the names of districts.

Mr. Speaker: Perhaps I had better test the opinion of the house with regard to those two, first.

Mr. Chevrier: There is certainly no objection on our part to the suggestion made by the hon. member for Halifax, but it seems to me that the suggestion of the hon. member for Port Arthur is equally good, and if we are going to consent to the first two there is no valid reason why we should not approve the third.

Mr. Pallett: I would point out that there may be some question of whether Bill No. C-47 is in order, as the hon. member for Port Arthur well knows. It is not a simple representation bill as the other two are. It may give rise to a lengthy discussion. The subject has already been announced as one that is receiving the attention of the government.

Mr. Speaker: Would the hon. member for Port Arthur mind if I tested the opinion of the house on the two other measures?

Will the house give consent to the proposal of the hon. member for Halifax that these two representation bills dealing with the names of constituencies be dealt with first?

Some hon. Members: Agreed.

Mr. Fisher: Perhaps I could just reply to the point which the chief government whip has raised. He has suggested that this bill may not be in order. I should like to draw his attention to the fact that the bill has been on the order paper in the same form in other sessions and that it has been on the order paper since the beginning of the present session. Thus it hardly seems to me that his point that it may be out of order has any relevance at all.

Mr. Speaker: I will ask the house, equally, for the hon. member for Port Arthur, whether it will agree to the third item being order No. 7.

Mr. Pallett: Perhaps we might consult the hon. member for Port Arthur and deal with this matter after the other two have been disposed of.

Mr. Chevrier: Yes or no?

Mr. Pallett: No, for now; maybe "yes" later.

Mr. Speaker: In the absence of complete agreement now I will take the matter up with the house after we have dealt with the two items on which we have agreed.

REPRESENTATION ACT

AMENDMENT RESPECTING HALIFAX ELECTORAL DISTRICT

Mr. E. L. Morris (Halifax) moved the second reading of Bill No. C-44 to amend the Representation Act (Halifax electoral district).

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Chown in the chair.

Representation Act

On clause 1—*Halifax-Dartmouth and County.*

Mr. Morris: Perhaps I might make a brief statement in order to clarify the purpose of this measure. Mr. Speaker, the purpose of Bill No. C-44 in my name is solely to change the name of the federal electoral district of "Halifax" to "Halifax-Dartmouth and County". The present bill makes no other change either in representation, dual voting or boundaries of the riding.

The present name "Halifax" has given rise in many places to the misunderstanding that the federal electoral riding, as presently defined, is confined to the great and progressive fortress and port city of Halifax. In fact, it contains the city of Halifax and also the city of Dartmouth and the whole territory encompassed by the municipality of the county of Halifax.

In 1951, the population of the riding was 162,217. Five years later, it had increased to 197,948, and the final population count arising out of the 1961 census of Canada, which has just been published, is 225,723, making it the third most populous federal riding in Canada.

Because the single word "Halifax" is the name of both the capital city of Nova Scotia and the name of a county, it is sometimes assumed that the present name of the riding applies to that historic city alone. During the last session of parliament the former town of Dartmouth, founded in 1750 and now having amalgamated with several contiguous areas, proudly achieved city status and rightfully proclaims that it is now the fastest growing city in Canada. The prime purpose of the bill is to give electoral recognition to the status of Dartmouth as a great city of Canada, and at the same time to give recognition to the fact that the federal electoral district encompasses the whole county, and not alone the city of Halifax, to which assumption the single name "Halifax" sometimes leads.

Bill No. C-44, which I am hopeful the house will now pass, has been publicly endorsed in most gracious terms by His Worship the Mayor of Dartmouth on behalf of the more than 45,000 citizens of that city, and I recommend it now to the sympathetic consideration of the house.

Mr. Fisher: Could I ask the sponsor a question arising out of figures recently issued by the dominion bureau of statistics which indicate that compared to other areas in Nova Scotia represented in this house, Halifax has a disproportionate number of electors?

I was just wondering if the hon. member might not be somewhat premature in proposing this particular title in view of the fact that the adjustment which is soon to come will quickly render the new description an inaccurate one. Maybe the hon. member could at least express his opinion on that.

Mr. Morris: I think it would be premature to do so. It is not possible to forecast what the proposed electoral boundaries commission might or might not in its wisdom and judgment decide would be the merit of delimiting the present boundaries of the dual riding of Halifax. In any event, sufficient unto the day is the need thereof, and it is my hope that the constituency, in the not hypothetical present, would take account of the misunderstanding actually arising from the single name, and I am hoping that through this bill electoral recognition will be given to Dartmouth and the rest of the country.

Clause agreed to.

Title agreed to.

Bill reported, read the third time and passed.

AMENDMENT TO CHANGE NAME OF CONSTITUENCY

Mr. W. F. Matthews (Nanaimo) moved the second reading of Bill No. C-46, to amend the Representation Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Chown in the chair.

On clause 1—*Nanaimo-Cowichan-The Islands.*

Mr. Matthews: I should like to take a few minutes of the time of the committee to thank the hon. member for Timiskaming for his kindness and also to thank all members of the committee for allowing this bill to come forward. I might say that, as found in the explanatory note, the purpose of this bill is to change the name of the electoral district of "Nanaimo" to that of "Nanaimo-Cowichan-The Islands". The reason for the change is that this particular part of British Columbia has grown. It is a thriving community. Other parts feel they also would like to be named as part of that very fine constituency. The name "Cowichan" goes back for 90 years in the lumbering business and it is certainly entitled to that consideration. I might say that the beautiful islands there certainly are proud to have their name included in this list. I might also mention the fact that to these islands—I refer to the gulf islands—probably come more pleasure boats and tourist boats during the tourist season than come to any place else in Canada. I should at this time like to extend an invitation to any hon. members who may wish to visit these beautiful spots. There

is nothing else I wish to add except to say that this legislation will be very well received. I certainly hope the bill will be passed.

Clause agreed to.

Title agreed to.

Bill reported, read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Speaker: By unanimous consent the house could now proceed with Bill No. 7. In the absence of that consent, the next order of business would be item No. 1. Is the house prepared to give unanimous consent to the hon. member for Port Arthur?

Mr. Churchill: No.

Mr. Speaker: Then the house will proceed with item No. 1.

DIVORCE

PROVISION FOR OFFICE OF PARLIAMENTARY PROCTOR, REGULATION OF COSTS, ETC.

Mr. Arnold Peters (Timiskaming) moved the second reading of Bill No. C-41, to establish the office of parliamentary proctor and to regulate taxation of costs.

Mr. Speaker: Before calling on the hon. member or recognizing the hon. member, may I say that I feel it to be my duty to draw the attention of the house to the fact that this bill has some of the characteristics of a money bill or one that requires a resolution. I therefore feel that if the debate proceeds I should at least indicate the possible difficulties with a bill of this kind so that it will not be taken as a firm precedent for similar legislation.

The bill provides for the appointment of an official who is described as parliamentary proctor and who would be under the joint direction of the Speakers of the two houses and the joint committee of the two houses. It provides for the payment of a salary for this official and for the raising from suppliants for parliamentary divorce of fees from which the salary would be paid. In this act no provision is made for these fees going into the consolidated revenue fund. However, by general legislation I think they would be required to be paid into that fund. It therefore may not be possible to get them out again in order to pay the officer without specific legislative authority. As the bill stands, it would perhaps come under the heading of a bill which provides a service in response to a moderate fee commensurate with the service. On the authority of a citation from May's Parliamentary Procedure, the 16th edition, page 789, there is some precedent for such legislation without a preceding ways and means resolution. However, I am by no means satisfied that the bill comes under the exception. With that caution now, however, I feel that the debate might proceed as the case is not as clear as it might be. I recognize the hon. member for Timiskaming.

Mr. Peters: I wish to thank you, Mr. Speaker, for the concern you have shown. It is certainly a concern of mine that we may have under our divorce procedure some arrangement which would allow the payment of this particular official. For this reason it was felt that the proctor's fee would be charged to the persons obtaining relief rather than coming from the general revenue. For this reason the amount of money that would be paid in would, of course, be in a fund from which his salary would come before the money was finally turned over to the general treasury. This may be a technicality. It is a technicality, of course, to which the Minister of Justice is giving consideration now. I am always sorry to note that the Minister of Justice is so overly cautious—perhaps I should not say he is too slow—with regard to decisions of any nature, even in the answering of letters. It certainly is the fact in this case that the necessity for a proctor has been indicated for some time. In my particular bill we assumed that this could be done through allocation of part of the fees paid by the petitioners themselves, as this would be done first, and that the other moneys would then be turned in to the general revenue and would be under the control of the Speaker of the House of Commons and the Speaker of the Senate. This may indicate one of the problems confronting a private member of parliament in arriving at a solution for a real problem which we as members of parliament have in no way been able to solve in the past. The office of proctor has been developed in such countries as England. The province of Ontario has now appointed a proctor.

Mr. Lambert: May I rise on a point of order for purposes of clarification? Did Your Honour reserve the question whether this bill in the name of a private member is validly before the house or was the hon. member addressing his remarks to that point which you raised? He is now embarking entirely on the merits of the bill rather than the question of whether there is an infringement of the rules of the house.

Mr. Speaker: Perhaps I did not make myself as clear as I should. I called on the hon. member to move his motion indicating that my purpose in rising was to file a caveat, if you like to put it that way, to indicate that I had doubts about the bill, but as they had not been cleared up to the extent that I felt

I should withdraw the bill from the consideration of the house, debate might proceed on the bill itself. If the hon. member felt disposed to address himself to that point it may be that I did not give him the opportunity to do so, but perhaps it is too late to do so now.

Mr. Peters: Mr. Speaker, I believe that a similar bill has been introduced before. Obviously some consideration has been given to this matter and a private member in introducing a bill of this nature must follow a very circuitous route to overcome the problem. I hope we have been successful in that regard.

Obviously what we are doing in this bill is putting forward the need and reasons for a parliamentary proctor, and I think that in the very near future we will see this an accomplished fact as a result of action on the part of the government. I hope that the member who has shown concern about this matter will not be opposed when the government does this.

In the main the office of official proctor is an office established under the direction of the courts and the holder of that office investigates any factor to which the court may direct his attention and which does not come within the legislative field. The request would be made by the crown itself and for this reason this official is normally known as the Queen's proctor or King's proctor as the case may be. This official has the right to look into matters that may appear to the court to be beyond its field of investigation and yet warrant some investigation.

We are all aware of the recent C.B.C. program "Close-Up" which depicted some of the abuses of the divorce procedure in the province of Ontario. Charges were made that this was not a proper program and that things were reported that were not necessarily true. The situation even reached the stage where the attorney general of the province said that the things that were said on the program were not true and he was going to do something about it. The logical conclusion of the whole discussion was the establishment of the office of Queen's proctor in the province of Ontario, though because of the circumstances the manner in which the office was created was rather spectacular. In my opinion it would have been very fortunate if his duties had been extended to include investigation of gambling activities as well because there probably would have been less controversy at the present time.

Mr. Jones: You might have one in Saskatchewan too.

[Mr. Speaker.]

Mr. Peters: Yes, there might be one in Saskatchewan. I would recommend that a proctor be attached to each court handling divorce and I suggest that the powers of the proctor should be extended to cover a number of other fields, because in this way investigations can be conducted by an impartial official, which does not appear to me to be possible under court procedures or the procedures of a legislative body such as the Senate.

Some aspects of this problem have been brought to the attention of the House of Commons before, but I should like to refer only to one investigation which the hon. member for Skeena and I made because it certainly indicates the fault, and indicates also the need to have somebody to conduct impartial investigations. We were very concerned about the fact that many newspapers in the province of Quebec were making very strong statements about the type of detective agencies involved in parliamentary divorces. There have been quite a number of editorials along this line. I have a letter here regarding the training of investigators. It points out how these investigators are trained or rather indicates their lack of training. The letter is from E. T. Nesbitt of Quebec city and is dated August 25, 1958. I should like to read one portion.

> The key to the situation is in the lack of qualifications among the investigators, especially in cases where they investigate non-existent evidence, such as adultery which they know in advance has not been committed, or which has to be fabricated by phony witnesses and phony corespondents, in order to support the phony divorce bill. Many of the cases are something like problems in nuclear reaction being investigated by plumbers who haven't even got a plumbing licence. They are problems which might take properly qualified investigators at least six months or two years to investigate thoroughly, if the objective was to prevent the divorce bill from being presented. However, since the whole objective is purely destructive and is intended to increase the Quebec divorce rate rather than to decrease it, the objective itself is simply to destroy some 400 marriages per year, regardless of whether properly trained investigators could eliminate most of the bills.

Because we were concerned about this matter and had heard a number of statements made before the miscellaneous private bills committee that did not appear to be factual, we sent a letter on the 9th of May, 1961 to the respondents and corespondents in 242 cases. We were surprised to find that a large number of these letters were returned by the post office as not being deliverable. We checked with the post office and the post office provided an explanation in each of these cases. Out of 242 cases, 114 letters were returned and the post office gave these reasons: No such street number or post office in Montreal, respondents, 2, corespondents,

5; not in directory, unknown, respondents, 19, corespondents, 45; moved, not at that address, respondents, 16, corespondents, 18; sent to place of work and unknown, respondents, 1, corespondents, 2. That is a total of 38 respondents and 70 corespondents. Six co-respondents and respondents appeared as witnesses and therefore were not involved in our inquiry. That accounts for the 114 cases. This is the type of job that a proctor would do.

In this regard, Mr. Speaker, we must give credit where credit is due. The Senate committee, itself, has made much more specific rules in relation to the sending of notice to the respondent and corespondent. We still feel, however, that we are dependant upon the province of Quebec to license the bailiffs who are handling these cases. We recall the Eccles case which the Minister of Justice (Mr. Fulton) has had under advisement for two years and about which he has failed to do anything. In this particular case the respondent had never appeared at the address shown on the form. According to the janitor who had been at that place for a number of years, there had never been anybody of that name at that particular address. I believe this is the sort of thing about which a proctor could do something; this is a field in which the proctor would serve a very valuable purpose.

If we are going to continue with the Senate divorce mill, then we are going to have to provide the same protections that a court affords the public. I believe the amount of money that is collected from these divorce petitions would warrant the maintenance of this officer who would be appointed by the governor in council. He would be paid a sufficient amount to make it unlikely that he would be involved in any of the shenanigans that currently take place, not only the Senate divorce mill but the divorce mills throughout Canada.

The second part of this bill relates to the taxation of costs. We know, and it has been widely established, that the price of a parliamentary divorce will run anywhere from $1,000 to $20,000. We feel that the proctor should have a right to decide the amount that can be charged for the various services needed at the various stages of the divorce proceedings. He would have the right, for instance, to limit the amount paid to investigators, to legal counsel and to others involved in the case. For this reason, we believe that the proctor should have some powers in the taxation field.

There is another point which I should like to make in connection with the appointment of a proctor. This term may be new to most Canadians, but I am quite sure that in the very near future there will be a public proctor attached to the parliamentary divorce petition section and that this will prove to be of advantage to all concerned. I suggest that we should ask something further of the proctor, and this will apply only if we see fit to give the Senate jurisdiction over parliamentary divorce and the power to grant a decree absolute. If this procedure were established, then in my opinion the proctor should have an obligation to report to the House of Commons through the Speaker any changes that he believes would be in the interests of the public. This divorce procedure has changed very little over the years. It is quite true that the Senate has established standing orders for the operation of the divorce committee. They have set up a red book which outlines the requirements of parliamentary divorce procedure. I feel the proctor should have an obligation to report to the house through the Speaker, when the estimates for legislation are considered, those changes that he feels should be made with regard to taxation and the method of processing the bills of this type.

I feel that the Queen's proctor would serve a very valuable purpose. He would allow those of us who are concerned about the abuses of our divorce procedure to free our minds of this worry. We would, in effect, be hiring him to act as our consciences in connection with divorce procedure.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, this seems to me to be the reverse of the coin which was exhibited during the course of the debate yesterday on the same subject matter. At that time we were seeking some alternative method of dealing with this very difficult problem which has been inflicted upon the parliament of Canada. I would take it that today this bill would indicate that parliament would have acquiesced in carrying the burden of these divorce cases. At this time, I would be reluctant to adopt that particular point of view. However, if we should have to accept this position for some time, then I want to examine this bill in the light of that situation.

It seems to me that when we look at proposed legislation we must search in detail to find what benefits we hope will accrue from it and look at what mischief it is intended to cure. I would assume that the intention of this legislation is to prevent the abuses of this procedure that we have seen in the past, the obvious abuses of the opportunity to come to parliament and obtain relief in the form of a divorce. There have been abuses, and I think that that fact has been established from time to time. In so far as the establishment of a parliamentary proctor is concerned, I think we have to go back a little farther than the hon. member did.

We have accepted, as part of our way of life, the fact that the family is the basis of our civilization, religiously, economically, socially and in all respects. It is for this reason there has been, from time to time, an evident desire to retain the family unit and make it as difficult as is reasonable to dissolve marriages. In most cases involving disputes between citizens the state does not intervene unless perjury has been established or there has been an abuse of the court. However, in respect of the dissolution of marriages, since the time of the original procedure before the ecclesiastical courts in the United Kingdom, an officer of this nature has had some function. His function has been to see that the public interest in the maintenance of the institution of the family shall not be lightly destroyed. We have, therefore, had rules which provided that domicile must be established; that there should be no collusion; that there should be no connivance; that there should be no condonation and that only within the prescribed limits shall there be a dissolution of a marriage. If there should be any indication that there has been an abuse then the proctor, the Queen's proctor or the King's proctor, would have the right to intervene. Consequently I think that the duties of any such officer as is envisaged in this bill would be precisely the same, not merely to pursue the question of abuse of the perjury per se but to make sure that if this parliament is going to be involved in this particular issue, that the same rules will apply as are applied in the courts.

This is one particular aspect of it where I think we would be in difficulty. As the hon. member pointed out there are standing rules in the other place which I think have some relationship to the rules under which the courts have established their jurisdiction. On the other hand there are no rules in this house and theoretically any captious, capricious or frivolous reason can be assigned for refusing the relief which has been asked. In other words I would think that, precedent to the establishment of this office, there must necessarily be a common set of rules under which the parliament of Canada will decide the basis on which dissolutions of marriages are going to be granted. Otherwise the result might be that the parliamentary proctor would be something in the nature of a parliamentary Perry Mason, sent out to pry into matters which may not go to the true issue which is involved.

While I am not against this principle, I think if it comes to the point where we must assume this responsibility we would have to consider it very carefully. I say that because, as I look ahead, I can see this government has a great future so far ahead as the mind of man can see, and I would not like to see its rights to bring benefits to the economy of the country defeated by having to deal with these cases. Yet, as I say, should we have to, then I would like to see it attempted on proper principles.

Consequently I make this comment that while I favour this principle I think it should be founded only a basis of rules applicable to and approved by both houses, unless of course it should turn out that we do decide to assign the sole jurisdiction to deal with these cases to the other place. In any event there should be a firm understanding as to the basis on which dissolutions of marriages are granted so that an officer of this description would know precisely what are the limits of his authority, what are the rules on which these divorces might be granted, and if he is going to intervene he should know precisely why he is going to intervene and what he is going to do about it.

Since the bill has been brought forward for discussion I may be permitted to refer to the section which has already been the subject of the verbal caveat which Your Honour uttered. I would think that, the principle having been accepted, it is in the public interest that cases of this kind should be dealt with properly, that there should be no fraud and no abuses permitted, and that it should be at public cost that such an official should be paid.

Of course I recognize that it would be impossible for a private member to introduce such a provision. Even in its present form Your Honour must have some doubts, you must be *in dubitate* as to whether or not it could be properly passed by the house. But, if we do accept this principle, I would urge that it be in the public interest to see that marriages are only dissolved in a proper way and subject to the proper causes, and that the cost of an official of this nature and of the office should be borne by the public at large.

Mr. M. D. Morton (Davenport): I wish to direct my preliminary remarks to the point of order that has arisen. I am in agreement with the principle that there should be some person to supervise the matter of the conduct of granting of divorces through this parliament, or through whatever method may later be devised. That principle has been recognized by many of the provinces which have appointed similar officers to supervise divorce proceedings.

I think we are here trying to do something indirectly which cannot be done directly. It is quite true that the sanction to raise the money and the expenditure of money is not directed to the government as such. It is directed to the Speakers of both houses who would act to levy a form of taxation upon

applicants for divorces, and out of that money they would provide payment for an officer of both houses who would have the post of proctor.

I believe that no private member can sponsor a bill which can cause expenditure out of the consolidated fund or any public funds, or cause the government to raise money for whatever fund might be set up. I submit that this purported levy is a form of taxation, and if it were to be paid out of the consolidated fund then this would be an invalid bill put forward by a private member.

What the hon. member proposes to do is bypass the consolidated fund and set up another fund. I am not sure whether it would also be a public fund, but in effect it would be the responsibility of the government to see that the proctor was paid. For instance, what would happen if there were not enough divorce petitions to pay this officer's salary? Perhaps that does not seem practical, in view of the way in which these divorce petitions are increasing; but if a proctor is appointed and gives service, who is to be responsible for his payment? The Speakers of both houses are; but ultimately the responsibility will fall back upon the government because it is the House of Commons and the Senate which appoints the Speakers. That being so I believe this indirectly would make a charge on the consolidated fund of the country. In effect there would be a guarantee that the government would see payment was made, its authority for that being delegated for the time being to both Speakers who would collect the levy on those making petitions.

When we impose duties on goods coming into the country that is a form of taxation, but people do not have to pay it if they do not import the goods concerned. However, I ask is it right to tax an applicant in order to raise money for certain purposes? On that basis I would contend that this bill is trying to do something indirectly that we cannot do directly.

Mr. Peters: Question.

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, I am sure that those of us in the house who are lawyers are fully aware of the valuable services that can be rendered to the courts within the provinces, because there is in most provinces a Queen's proctor to make sure that the rules and regulations for bringing divorces before the courts, as well as the actual matters constituting divorce, are adhered to and subject to scrutiny.

I am sure that hon. members of the house have found it a trifle embarrassing to find that sometimes some of the evidence presented to the parliament of Canada to obtain a divorce seems to be a little suspicious, to say the least. While I agree with the hon. member who introduced this bill that a Queen's proctor would render much valuable assistance and would probably keep to a minimum or weed out a certain amount of what I call shady practices, I must add the note of caution that even with a Queen's proctor divorces are not always, in all the provinces, obtained according to the way in which they should be obtained.

The point, of course, is that the Queen's proctor is the individual appointed with that specific duty. While I think that our law enforcement agencies are constantly on the lookout to make sure that the laws against perjury, for instance, have not been violated, I think the reason a certain individual is delegated in most attorneys general departments to look after this matter specifically is that divorce is a subject which can easily be neglected, where there is not the light of publicity, et cetera, that would keep the ordinary officials of the department so busy and vigorous on it if someone were not given that specific responsibility.

I am not going to argue too minutely some of the provisions of this bill. We have already heard from the hon. member from Peace River who, because of his very long legal experience, and I may say very distinguished career in law, has been able to give the house the benefit of his views on this matter. I would like to back him up in his stand that this office should not be financed in the manner set out in this bill. Certainly it is a public servant performing a very valuable function and it is up to the public to pay his salary and expenses. In that connection I note that the bill itself contains the method of appointing a Queen's proctor. It puts on the Speakers of the two houses the duty, with the advice of the parliamentary committees, to select this official.

Surely, Mr. Speaker, if this official is going to play the part that he is supposed to play, and if he is going to be able to acquire the staff that would be necessary for him to effectively carry out the investigative functions of his office, there must first of all be some degree of permanency about it. The idea of making such an official the result of a political appointment seems to me to destroy that independence of movement that is necessary if he is to be able to carry out his functions in the manner required.

The hon. member for Timiskaming pointed out one of the reasons why this man should be well enough paid so that he would be free from any suggestion or taint of influence, so that he would be really free to dig into these divorces and see exactly what is going on. He pointed out the high cost of divorces in parliament. I suppose by inference

he was pointing to the possibility of curbing influence being used against such an official. I find it a little contradictory that he should make these references, and very practical references too, to the sort of pressures that might exist and at the same time leave the appointment of this official on this sort of political basis which would be subject to political debate, political pressures and which would put the Speakers of both houses under a bit of fire.

Mr. Speaker, I am not familiar with the cost of divorce, but I did find myself a little amazed when the hon. member mentioned a price of from $1,000 to $20,000 for a divorce. Certainly I have the highest regard for the legal profession. I believe that most lawyers try to keep the fees charged for their services in line with the value of those services. I find it incredible that anyone should seriously suggest a fee of $20,000 for putting a divorce through the House of Commons, unless it was after the filibuster to keep them out of the house.

I do not believe that the Queen's proctor in the province of Alberta has anything to do with taxing solicitors' fees. That is done by the bar association. I would think that this function of the Queen's proctor in the House of Commons could be a most valuable one. Yet here again the appointment of this official should not be left open to political consideration. He should not be chosen from among the practising field from time to time, but should be an official appointed on a long term basis the same as any other public servant or civil servant, with security of tenure and reasonable pay and allowances. He should also have that degree of permanence of office that would give him the status and staff not only to be able to carry out investigative duties regarding evidence in divorce matters, but also to be able to keep in touch with trends in legal matters within this country so that his office would always have an up to date view on what was happening in legal fields, what were the fees and costs, and so on.

Mr. Speaker, may I call it six o'clock.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, I wonder if the house leader could give us an indication of what the government is planning to do up until the time the budget is brought down on Tuesday evening. It would certainly be very helpful to us to form some idea of the order in which to prepare for things.

Mr. Churchill: Mr. Speaker, now that the budget date has been announced for which the opposition have been asking, perhaps they will move very rapidly with the following items of business. Third reading of Bill No. C-38 will be the first item on Monday. Then the first item for general discussion, of course, would be the resolution in the name of the Prime Minister on the electoral boundaries commission; second, Bill No. C-80, an act to amend the Veterans' Land Act; third, Bill No. S-19, an act to amend the Canada Grain Act; fourth, Bill No. C-79, an act to amend the Customs Act; fifth, the resolution in the name of the Secretary of State dealing with the universal copyright convention; sixth, the resolution in the name of the Minister of Transport to amend the Freight Rates Reduction Act; seventh, the resolution in the name of the Minister of Finance dealing with the Currency, Mint and Exchange Fund Act, and eighth, the resolution in the name of the Minister of Finance with regard to crown corporations. All of those items could be passed by an active house on Monday.

Mr. Pickersgill: Would the minister indicate whether, if they are not all passed on Monday, we will go on with that program on Tuesday up until the time of the budget?

Mr. Churchill: Some of those items will be called on Tuesday, but there may be other important items appearing on the order paper on Monday which the house would like to deal with on Tuesday.

At six o'clock the house adjourned, without question put, pursuant to standing order.

[The following item was passed in committee of supply]:

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

728. Canadian wildlife service—wildlife resources conservation and development, including administration of the Migratory Birds Convention Act—further amount required, $27,000.

HOUSE OF COMMONS

Monday, April 9, 1962

The house met at 2.30 p.m.

PRIVILEGE

MR. RACINE—INACCURACY OF ANSWER BY PUBLIC WORKS MINISTER

Mr. Speaker: On April 5 the hon. member for Beauce raised a question involving the Minister of Public Works, who was not then present, and at my request the matter was deferred until the minister would be present. The hon. member for Beauce raised as a question of privilege the correctness of an answer given by the Minister of Public Works some days earlier in respect of the vendor of a property in Beauceville as a site for a post office, I think. Perhaps the best course would be to have the minister make a statement, if he has had an opportunity of examining *Hansard*; then I may dispose of the matter after hearing him.

Hon. D. J. Walker (Minister of Public Works): A question of privilege was raised by the hon. member for Beauce on April 5 during my absence from the house, concerning the site for a new post office building in the town of Beauceville East, in the province of Quebec. This is my first opportunity of replying, and I should add that I have no objection whatever to this matter or any other matter connected with my department being referred to the public accounts committee.

As early as the fiscal year 1957-58 it was noted that a need was developing for more postal accommodation in Beauceville East. Subsequently, after consultation with the post office officials, a new public project was scheduled tentatively for 1962, and meanwhile a continuing lease was arranged. In 1959 Mr. Paul Giguere, at that time mayor of Beauceville East, requested the government to construct a new federal building to benefit his community. A similar request was received during the same year and the one following from the hon. member for Beauce himself and also from the council of the municipality.

In November, 1960, as a result of its investigations, my department decided to list the project for consideration in the main estimates of 1962-63, and began actively to examine the requirements of the project including the availability and cost of a site.

The initial visit of departmental officials to Beauceville in December, 1960 disclosed only two sites priced at $20,000 and $30,000 respectively, and both poorly situated due to the flooding which occurs on the Chaudiere river at that place. Shortly thereafter Mr. Giguere, now ex-mayor, suggested a third possible site described as the Lorenzo Mathieu property and available for sale at $16,000. Subsequently Mr. Giguere informed the department that he had taken an option on the property in his name for $16,000 in order to prevent its sale to others and to assure that the government would get this site for a post office. His previous interest as mayor of Beauceville East in acquiring a new post office lent credence to his statement.

After due consideration it was found that this property was the best of the three examined, being the only one free from flooding; and, as it was centrally located adjacent to the bank and the city hall, and the most economically priced, it was clearly the most advantageous purchase available. I should add that it had approval, as to location, of the new mayor of Beauceville East, Mr. Jacques R. Renault.

Accordingly the matter was submitted to the treasury board and the purchase price of $16,000 for the Mathieu property was approved.

Obviously the hon. member was correct in his statement regarding the name of the vendor given in my answer of March 19, 1962. Some of the records in my department identified the site as the Lorenzo Mathieu property, as a result of which this name was inadvertently used by the department in the preparation of the answer to the hon. member's question and read by me to the house. I therefore request that *Hansard* be corrected at page 1921 for March 19, 1962, by the substitution of the name Paul Giguere for that of Lorenzo Mathieu.

(Translation):

Mr. Jean-Paul Racine (Beauce): Mr. Speaker, it goes without saying that I accept the correction made by the Minister of Public Works (Mr. Walker).

However, reference to the motion I proposed last Thursday, would show that it read as follows:

I move, seconded by the hon. member for Megantic (Mr. Roberge), that the matter concerning the purchase of a parcel of land for the construction of a public building in Beauceville,

as well as the reply given by the Minister of Public Works or his parliamentary secretary in this respect and related documents, be submitted to the standing committee on public accounts.

I was therefore asking the house to submit the transaction to the committee on public accounts. Another reason which prompted me to do so is that the treasury board agreed to make that payment of $16,000, as proved by the contract entered into on September 26, 1961, under its minute number 581250, dated May 18, 1961, whereas Mr. Giguere became the owner of the land on May 24 only, that is after the treasury board had accepted to pay the amount of $16,000.

Consequently, that transaction enabled Mr. Giguere to make a profit of $8,000.

(Text):

Mr. Speaker: The hon. member for Beauce has raised a question relating to an answer given by the Minister of Public Works upon which the minister has had an opportunity to comment. He raises this matter as a question of privilege and submits a motion that the acquisition of the property be referred to the committee on public accounts. If there is a question of the privileges of the house involved, then the hon. member is within his rights in making a motion and insisting that the question of privilege, as must be done with any question of privilege, be disposed of at once.

If a matter of the privileges of the house is not involved then the hon. member's remedy is to give notice of his motion on the order paper, as any unofficial member of the house would do, or to take the matter to the public accounts committee and ask that committee to consider the question which he wishes them to consider.

On the last occasion the question was raised I indicated to the hon. member that I did not think a matter of privilege would arise unless he were prepared to assert, on his own responsibility, that the house had been deliberately misinformed by the minister, thereby inputing some impropriety or improper conduct to the minister which would raise a question of the privileges of the house. As he has not asserted this, I do not find that there is a question of privilege involved. The matter has been discussed, hon. members of the house can form their own conclusions and, as I stated, the hon. member has another remedy to bring his question before the public accounts committee.

Hon. Lionel Chevrier (Laurier): Would Your Honour listen to what I have to say in connection with the matter? Your Honour has disposed of it apparently on the basis that there is just one item involved in this question, namely the error in the return to the house made by the minister; but I think Your Honour forgets the point which was raised by my hon. friend from Beauce when the matter was first raised, namely that there was a question of an option for $16,000 having been taken on a property which just prior thereto had been purchased for $8,000.

Surely that is a matter which affects the privileges of all hon. members of the house, and surely it is a matter which the public accounts committee might properly be charged with. Otherwise an hon. member would have no recourse under the circumstances if the motion were to go the bottom of the list. I simply bring to Your Honour's attention, if I may, that treasury board had approved on the 18th day of May—

Mr. Speaker: Order. I think the hon. member need not go into the facts. I take the view that in the absence of some charge against the minister which would necessarily involve the privileges of the house, the other facts, while they may disclose something which deserves inquiry and attention, are not of the order of those situations which involve the conduct of a minister vis-à-vis the house. Therefore they must be inquired into in the usual way, either on the estimates of the minister's department, by bringing the matter before the public accounts committee, or by the other remedies and opportunities that are available to private members to bring to the attention of the house or its committees matters which they feel deserve that attention.

I think it would be very dangerous to set the precedent that any hon. member of the house could rise in his place at any time without notice and move that certain matters be considered by the house or by committees of the house, unless they genuinely involve known and established privileges of the house.

Mr. Chevrier: Mr. Speaker, may I be allowed to make two points in connection with what Your Honour has said. The first has to do with the matter which the minister himself has raised, namely that he said at the outset that he had absolutely no objection to the matter being referred to the public accounts committee. I should think the minister would be the first to want to clear this up in so far as the particular individual in question, Mr. Giguere, is concerned. The next point is that Your Honour has suggested this matter might well be disposed of on another occasion when the estimates of the Department of Public Works are up for consideration. There is certainly at this time, under these circumstances, no knowledge in so far as we are concerned that these will ever be reached,

and it seems to me that under those circumstances the hon. member's point is well taken in making the motion.

Mr. Speaker: Order. I have given the hon. member full opportunity to express his views. I believe he will find that the opinion I have expressed is correct, and I do not propose to hear further representations on it.

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, on a question of privilege affecting the routine measures before the house, the hon. member for Laurier is trying to create the impression here, and thereby is misinforming the house, that the estimates of the Department of Public Works might never be reached. They have already been before the house for two days this session—

Mr. Pearson: In the further supplementary estimates.

Mr. Churchill: —and might well be reached again if the opposition would get on quickly with the tasks in front of it.

Some hon. Members: Oh, oh.

Mr. Denis: Very funny.

THE BUDGET

TABLING OF BUDGET PAPERS

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, may I table the budget white paper and say that it will be available to all hon. members this afternoon in the distribution office. I am tabling copies in English and French.

Mr. Martin (Essex East): Another deficit.

Mr. Fleming (Eglinton): Perhaps for the convenience of hon. members, and as well subscribers to the records of the house, it would be well to follow the usual practice, and in keeping with that practice I move that the white paper be printed as an appendix to today's *Votes and Proceedings* and also to tomorrow's *Hansard.*

Mr. Martin (Essex East): Another deficit; almost $800 million.

Mr. Speaker: Order. Have all hon. members heard the motion? Is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

SPORTS

ANNOUNCEMENT OF ASSISTANCE TO PROVINCIAL PROGRAMS AND GRANTS TO ORGANIZATIONS

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I have a number of announcements to make with respect to the fitness and amateur sport program.

First of all, I am today writing the provincial governments informing them of our intention to set aside $2,500,000 of the $5,000,000 authorized for the fiscal year 1962-63 to assist provincial programs designed to encourage, promote and develop fitness and amateur sport. This division of the fund underlines the important role which the dominion government feels the provinces can play in the new program. By channelling a considerable part of our annual expenditures through the provinces we hope to stimulate activity at the community level. At the same time, sufficient funds should be available for the dominion government to assist the work of national organizations and projects of national interest, including encouragement to national and international competitions, support for fitness research, production of technical informational material, and other aspects which can best be carried out at the federal level.

The house may be interested in knowing how the $2,500,000 will be divided among the provinces. A flat rate of $50,000 is proposed for each province signing an agreement, with the balance being provided on a per capita basis.

In addition to these grants, the dominion government is proposing as an interim measure to provide immediate assistance totalling $250,000 to the provinces for planning and organizational purposes. As we are most anxious to assist the provinces in preparing for a comprehensive nation-wide co-operative effort, and since we feel that the necessary funds can be effectively utilized for this purpose while federal-provincial negotiation of agreements for larger sums is being completed, we have decided to press forward through the provision of these interim grants.

I might say that all these grants are closely in line with the views expressed by the national advisory council on fitness and amateur sport and by provincial ministers at the special meetings which were held in February on this subject. I believe they will go on a long way toward encouraging the kind of provincial and community participation which is so essential to a well rounded and effective national effort. The provinces have so far shown a keen and enthusiastic interest in the new fitness and amateur sport program, and I am optimistic about their reaction to the arrangements which I am now submitting for their agreement and approval.

The final announcement I would like to make has to do with further grants to various national organizations. The house will recall that some $15,000 has already gone

out to three organizations with emergency needs. I now have the pleasure of indicating federal approval of grants totalling $142,800 to provide urgently required assistance in connection with various national and international competitions as well as other projects in the field of fitness and amateur sport. These are also being made available on an ad hoc basis on the recommendation of the national advisory council pending the final working out by the council of suitable criteria for the making of such grants.

They will be charged to the program's allocation for 1961-62, as will the $30,000 grant which has been provided to assist the British Empire and commonwealth games association in sending a Canadian team to the games in Perth, Australia, later this year. Also charged to the program's initial allocation is the $35,000 grant to the Calgary Olympic development association which I announced in the house last week. Taken together, these various expenditures add up to some $473,000 in assistance made available during 1961-62, which I believe represents very substantial progress for a program of such recent origin and complexity.

AGRICULTURE

DAIRY PRODUCTS—FURTHER ANNOUNCEMENT RESPECTING SUPPORT PRICES

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, on March 22 the Acting Minister of Agriculture announced the dairy support program for 1962-63. The house will remember that the acting minister said there would be consultations among the officials of the government, producers and processing organizations. Since that time consultations have been held with the producer and processing groups concerned with the production and handling of dairy products. There was general agreement on the wisdom of the government policy aimed at increasing consumption on the one hand and decreasing production on the other. However, the fluid milk producers and cheese producers asked for modification of the program in so far as it affected their groups.

The cheese producers asked that the support price of last year be retained and, therefore, it would not be necessary to pay them extra compensatory payments. The fluid milk producers asked for a year's postponement before the compensatory payments were denied to their surplus milk.

Since Ontario and Quebec are the main dairy provinces, I asked their ministers of agriculture and their staffs to meet with me. It had been agreed since last spring that because of the divided jurisdiction between provincial and federal governments relating to dairy products, there should be joint planning and action. The agricultural ministers of the other provinces know that I have been consulting with Quebec and Ontario during the last 12 months.

Following a full discussion with the two provincial government representatives last Wednesday, the federal government has decided to authorize the agricultural stabilization board (1) to buy butter at 64 cents per pound as last year and resell at 52 cents per pound; this is to give an incentive to consumption; and (2) to leave cheese at the same level as last year.

Thus the support levels and the agricultural stabilization board's purchase prices for dairy products will be retained at the same level as during 1961-62. In addition the compensatory payment of 25 cents per hundred for milk for manufacturing purpose, exclusive of surplus milk from fluid producers, will continue to be paid. This policy should maintain returns to all segments of producers at the same level as during the current year.

The fluid milk producers of Ontario are giving us written assurance that their association will work with the provincial government of that province and other producers of milk to set up an integrated milk marketing plan for Ontario this year. The representatives of the provincial government of Quebec have indicated that there will be provincial legislation this session to allow for setting up of a producers' board in that province.

The significance of this will be appreciated by milk producers everywhere. It means that if Ontario and Quebec set up producer controlled milk boards then a tremendous step forward will have been taken toward the time when producers will have a greater say in their industry. Needless to say, the federal government will be glad to see this movement spread across Canada. The milk industry of British Columbia is a good example of producers handling their own business successfully. We feel that the whole country benefits when producers co-operate democratically to solve problems of supply and price. For that reason the fluid milk operators will get the year's postponement requested, with the understanding that the federal government will not support the price on their surplus milk after April 30, 1963.

Mr. Fleming (Eglinton): Is not the hon. member for Essex East going to say something?

Mr. Arnold Peters (Timiskaming): I imagine the milk producers will be very much pleased to hear the announcement made by the minister. The country also will be pleased to know that serious consultation is taking place

among the government, the agricultural stabilization board and the dairy industry. The minister has not yet indicated—or at least if he did so I failed to get the point—that the problem has been solved with regard to the butter producers, particularly in view of the overrun. The fact is that assistance is now paid on a butterfat price and that from every 100 pounds of butterfat 120 pounds of butter can be made.

The dairy industry has requested an additional 2½ cents so that creamery butter will be produced at the guaranteed price of 66½ cents, while the producer will get 64 cents for his butter and the consumer will be giving 52 cents. The 2½ cents has been requested by the dairy industry.

I believe this must be done to keep the program on a realistic basis. I also believe that something should be done in this connection for the unpasteurized cheese producers. The problem is such that the butter price establishes the cheese price on the export market. The raise in the price will mean an additional cost to the export market for cheese. At the present some assistance could be given to unpasteurized cheese because of the fact that Britain is in a position to buy 6 million or 8 million pounds of cheese that we have not produced.

I hope this consultation with the dairy industry will continue. I believe there must be a much better relationship with the whole dairy industry than is possible at the present time.

Hon. Paul Martin (Essex East): After listening to the Minister of Agriculture and the hon. member for Timiskaming, it just remains for me to observe that the farmers have not yet received from this government all that they have asked for.

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): And it took the hon. member 10 minutes to think up that poor comeback.

FEED CORN—ANNOUNCEMENT OF ASSISTANCE ON SHIPMENTS TO ATLANTIC PROVINCES

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I have another announcement to make.

As a result of the drought in western Canada there is a shortage of high energy feeds in the Atlantic provinces. Corn has been made available as a substitute in Ontario and Quebec, but because of the distance involved there has not been the same opportunity for its use farther east. In order to sustain the livestock and poultry industry in the Atlantic provinces, cabinet has authorized an assistance of $5 per ton on corn shipped to the area by rail or boat up until October 1, 1962.

This program is distinct from the national program of freight assistance on western feed grains. It is designed as a temporary measure of assistance until the fall, when high energy grains are normally available from western Canada.

Details concerning the assistance are presently being developed and will be announced shortly.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, this belated announcement by the minister will be much welcomed by those people who almost two months ago came to the minister and made this request. The only thing is that it is unfortunate that two months have been lost.

Mr. Pigeon: Twenty two years of inaction and arrogance.

Mr. Arnold Peters (Timiskaming): We welcome the extension of freight assistance on feeds for eastern Canada. The fact that a subsidy of $5 a ton will be paid to corn producers we hope will move all the corn that is available, giving eastern agriculture the opportunity to take advantage of it. Because of this necessity at this time we believe the government should give much more consideration to greater equalization of the feed situation across Canada than is now possible under present circumstances.

BUSINESS OF THE HOUSE

DIVORCE BILLS TO APPEAR ON APRIL 10 ORDER PAPER

Mr. R. J. McCleave (Halifax): Pursuant to an agreement made in the House of Commons the other day, I hereby give notice that the divorce bills will be on the order paper in their proper place tomorrow.

BRITISH NORTH AMERICA ACT

AMENDMENT WITH RESPECT TO RETIREMENT OF SENATORS

Right Hon. J. G. Diefenbaker (Prime Minister) moved for leave to introduce Bill No. C-86, to amend the British North America Act, 1867, with respect to the Senate.

Mr. Pickersgill: Explain.

Mr. Diefenbaker: The amendment which will be brought before the house will be restricted to retirement at the age of 75 years of all members now in the other place, as well as those who may thereafter be appointed. Provision will be made for a retirement pension for all who are now in the Senate. A resolution to that effect will be

placed on the order paper today. I think I should also make it clear now that in the event that this amendment is passed, no appointment of successors to vacancies resulting from the compulsory retirement of senators under this legislation will be made until after the next general election.

Mr. Speaker: Is it the pleasure of the house that the right hon. gentleman shall have leave to introduce the said bill?

Mr. Pearson: Mr. Speaker, I beg leave to move the adjournment of the house under standing order 26—

Mr. Speaker: Order. Perhaps the Leader of the Opposition would defer his request until this motion has been dealt with. The first motion is for leave to introduce the bill, which motion I now put. Is it the pleasure of the house to adopt the motion?

Mr. Herridge: Mr. Speaker, I must say on behalf of this group—

Mr. Speaker: Order. The hon. member knows this is not a debatable motion.

Mr. Brunsden: No, he does not.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Motion agreed to.

Mr. Diefenbaker moved that the said bill be now read the first time.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Mr. H. W. Herridge (Kootenay West): On a point of order, Mr. Speaker, without any comment on the principle or purpose of the bill I should like to say that this group cannot agree to first reading because—

Mr. Speaker: The question will then be put.

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

YEAS

Messrs:

Aitken, Miss	Campbell (Lambton-Kent)
Badanai	Campbell (Stormont)
Balcer	Cardiff
Baldwin	Caron
Baskin	Chambers
Batten	Charlton
Bell (Carleton)	Chatterton
Bell (Saint John-Albert)	Chevrier
Benidickson	Churchill
Bourque	Clermont
Broome	Coates
Browne (St. John's West)	Cooper
Browne (Vancouver-Kingsway)	Creaghan
Brunsden	Crouse
Cadieu	Danforth
Denis	McMillan
Diefenbaker	McPhillips
Dorion	McWilliam
Doucett	Mandziuk
Drysdale	Martin (Essex East)
Dumas	Martini
Fleming (Eglinton)	Matheson
Fleming (Okanagan-Revelstoke)	Matthews
Flemming (Royal)	Michaud
Flynn	Milligan
Forbes	Mitchell
Forgie	Monteith (Perth)
Fournier	Montgomery
Godin	More
Grafftey	Morris
Granger	Morton
Green	Muir (Lisgar)
Hales	Nasserden
Hamilton (Notre Dame de Grace)	Nesbitt
Hamilton (Qu'Appelle)	Nixon
Harkness	Nowlan
Hees	Nugent
Hellyer	O'Hurley
Hicks	O'Leary
Hodgson	Pascoe
Horner (The Battlefords)	Paul
Howe	Payne
Jones	Pearson
Jorgenson	Phillips
Jung	Pickersgill
Kennedy	Pigeon
Kindt	Pugh
Knowles	Racine
Korchinski	Rapp
Kucherepa	Regnier
LaMarsh, Miss	Ricard
Lambert	Richard (Ottawa East)
Leduc	Roberge
Legere	Robinson
Macdonald, Mrs.	Rogers
Macdonnell	Sevigny
MacEwan	Simpson
MacInnis	Slogan
MacLean (Queens)	Smith (Calgary South)
MacLean (Winnipeg North Centre)	Smith (Lincoln)
MacLellan	Smith (Winnipeg North)
Macquarrie	Starr
MacRae	Stefanson
McBain	Stewart
McCleave	Tardif
McFarlane	Taylor
McGee	Thomas
McGrath	Thrasher
McIntosh	Tucker
McLennan	Villeneuve
	Walker
	Webb
	Webster—143.

NAYS

Messrs:

Fisher	Peters
Herridge	Regier
Howard	Winch—7.
Martin (Timmins)	

Motion agreed to and bill read the first time.

POWER

COLUMBIA RIVER—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Hon. L. B. Pearson (Leader of the Opposition): I ask leave, Mr. Speaker, to move the adjournment of the house under

standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely the statement by the Canadian chairman of the international joint commission that Canada's interests were sacrificed by the government in signing the treaty for the development of the Columbia river. May I speak to this motion, Mr. Speaker.

Mr. Speaker: I would be interested in hearing the Leader of the Opposition, who asks for leave, on the question of the urgency of debate on the subject matter which is proposed, which I see to be the statement of the Canadian chairman of the international joint commission that Canada's interests were sacrificed by the government in signing the treaty for the development of the Columbia river. I take it that what the Leader of the Opposition is asking leave to debate is that statement.

Mr. Pearson: Yes, Mr. Speaker, it seems to me that the argument governing this matter of urgency and importance is to be found—and it has often been quoted in this house—in Beauchesne's fourth edition, citation 100, paragraph 3, which reads:

> "Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate", when the ordinary opportunities provided by the rules of the house do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately.

It seems to me that the circumstances under which this motion is being moved are similar in many ways to those which existed when the motion was moved last June for the adjournment of the house to discuss the dismissal of the governor of the Bank of Canada, and at that time, Mr. Speaker, you agreed to that motion.

I suggest, Mr. Speaker, that in present circumstances there are no ordinary opportunities to discuss this subject, and I believe that the subject is of such great importance that it should be discussed at once.

Leaving aside the circumstances of the dismissal of a man who has served Canada with such distinction in war and peace—

Some hon. Members: Order.

Mr. Pearson: I believe, Mr. Speaker—

Mr. Speaker: Order. The hon. member is making a statement which goes beyond what he is asking the house to discuss.

Mr. Martin (Essex East): Not at all.

Mr. Diefenbaker: And there was no dismissal.

Mr. Pickersgill: That is a matter of debate.

Mr. Speaker: The urgency of debate is related to the matter which is set out in the hon. member's motion, namely the statement of the chairman that Canada's interests were sacrificed.

Mr. Pearson: The urgency of the matter is related, I submit, to the importance of the statements made by General McNaughton and the contradiction of those statements by the government, statements which are of great national and, indeed, international significance; because when a man in General McNaughton's position says that Canada was sold out and that the Columbia river treaty amounts to servitude in perpetuity of our vital rights and interests, surely when a statement of that kind is made—

An hon. Member: By a Liberal.

Mr. Pearson: —that statement should be debated in the house at once, particularly as that statement, and other statements which I could have mentioned, have been denied and contradicted by the government. Therefore, Mr. Speaker, surely this is a subject for immediate debate in order to get this matter of both national and international importance cleared up.

So far as the opportunity of debating this matter in the ordinary way is concerned, there are eight or nine items that have been listed by the house leader as the business of the house for today and they, of course, do not provide any opportunity for discussing this matter. Second, Mr. Speaker, there is no item listed on the order paper, especially under government orders, that would provide an opportunity to debate this subject.

Finally, Mr. Speaker, because of the uncertainty created by the Prime Minister's utterances, as recently as Saturday night, about the early dissolution of this parliament, there is no assurance that this matter can be discussed in the house. In view of this uncertainty we may not be here after tomorrow night. Therefore, in view of this uncertainty which has been created by the Prime Minister and members of the government, in view of the importance of this matter both nationally and internationally, and in view of the statements which have been made and contradicted, surely the government will be only too anxious to have it debated at once, and that is the purpose of this motion.

Mr. Green: Mr. Speaker—

Mr. Speaker: Before I hear the Secretary of State for External Affairs I would like to ask a question of the Leader of the Opposition—

Mr. Pugh: Which he will never be able to answer.

Mr. Speaker: —which might help to clarify the situation. As I see the importance of the statement of the Canadian chairman of the international joint commission, it is in relation to the Columbia treaty; and that treaty, as hon. members of the house know, has been signed but has not yet been ratified. As I recall the questions asked and statements made in this house about ratification, it is in my mind that the house was assured that no ratification would take place before the house had been asked to debate the treaty. Now, if that is the case, what does the Leader of the Opposition say as to the urgency of debate, if no action is to be taken with respect to the subject matter of the chairman's statement until the house has an opportunity to debate the treaty?

Mr. Pearson: Well, Mr. Speaker, surely the importance of the statements and the requirement for immediate discussion of them are not the same as the discussion which is required of the whole treaty. The Prime Minister has already stated this session that there will be no such discussion of this treaty in this house until all arrangements are made and agreement reached with the government of British Columbia. The importance of having an immediate discussion on this matter attaches to statements made by General McNaughton in respect of the policy of this government and the procedure of this government in relation to this treaty. When statements of this kind are made, irrespective of the merits or demerits of the treaty itself, surely that should be discussed immediately as a matter of urgency.

Mr. Nugent: It is because of his age; he is 75.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, this question comes under my jurisdiction as the minister responsible for the Canadian section of the international joint commission. I may add that throughout my whole term as Secretary of State for External Affairs, General McNaughton and I have worked together in a thoroughly friendly and co-operative way. His retirement from the commission results solely from the fact that he has passed the age of 75 years.

Some hon. Members: Order.

Mr. Grafftey: You said he was dismissed.

Mr. Speaker: Order. I trust that the minister will not discuss the question of the termination of the employment of the chairman, because that is not the matter which the house is asked to debate, but rather a statement made by the chairman. I would not think it relevant, as I indicated to the Leader of the Opposition, to discuss the circumstances of his employment or his position as chairman unless the request for leave to debate this matter were broader.

Mr. Green: Mr. Speaker, may I point out to you that the Leader of the Opposition charged today that General McNaughton has been dismissed.

An hon. Member: That is right.

Some hon. Members: Hear, hear.

Mr. Green: And they say, "Hear, hear" now. Surely Your Honour is not going to hold that I cannot say anything about that.

Mr. Pickersgill: If leave is granted, you can.

Mr. Speaker: Order. I certainly would not think of preventing the minister from responding to that statement, but I rose as soon as the statement was made to check further comment on that line, and I trust the minister will limit himself to dealing with the question raised.

Mr. Green: That is what I intend to do, Mr. Speaker. This statement was made, the Liberal party have shouted, "Hear, hear" and that has gone on the record. I wish to deal with that.

Mr. Pickersgill: Then let us have a debate.

Mr. Green: I repeat, Mr. Speaker, that his retirement from the commission results solely from the fact that he has passed the age of 75 years, and has nothing whatever to do with the Columbia river issue or any other issue with which the commission has dealt.

Mr. Martin (Essex East): Mr. Speaker, on a point of order—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member for Essex East (Mr. Martin) has risen on a point of order.

Hon. Paul Martin (Essex East): Mr. Speaker, I am sure the Secretary of State for External Affairs will agree that he has had an opportunity to deny the statement in the remarks which Your Honour has allowed him to make with regard to the circumstances of dismissal.

Mr. Jones: What arrogance.

Mr. Martin (Essex East): The issue before the house is a simple one, whether or not under our rules and practices this question is of such urgency that it requires immediate debate. If we decide it is, as I respectfully believe we should, we would then have an opportunity to hear from the Secretary of State for External Affairs in great detail on the point he is making and on other aspects

of the question. But the motion before the house now is whether this is a question of urgent national importance that requires immediate debate. The Leader of the Opposition—

Mr. Speaker: Order. I think that generally speaking the hon. member for Essex East expresses the correct view, that what we are trying to determine is whether there is urgency of debate, and not to go into the issue surrounding the circumstances in which the statement was made and all the details which might be appropriate if debate were allowed.

Mr. Green: With effect from the year 1956, Mr. Speaker, all appointments to the Canadian section of the international joint commission have been renewed annually—

Mr. Chevrier: Mr. Speaker—

Mr. Green: —and that was when the Leader of the Opposition was the secretary of state for external affairs—

Mr. Martin (Essex East): Mr. Speaker, on the point of order—

Mr. Pickersgill: The minister is persisting.

Mr. Speaker: Order. I have heard the point of order. I would think that in view of the statement made by the Leader of the Opposition an answer to the allegation that the chairman was dismissed or discharged must be appropriate, even though that statement was irrelevant to the main issue.

Mr. Hellyer: The question is the urgency of debate.

Mr. Pearson: On the point of order, Mr. Speaker, I made a statement quoting what General McNaughton himself had said—

Some hon. Members: Oh, oh.

Mr. Pearson: —and I said that the government itself had already denied that statement. Now the Secretary of State for External Affairs rises and denies it again. But General McNaughton has denied what the minister has said; he has said that he was dismissed by the arbitrary decision of a dictator.

Mr. Speaker: Order. The Leader of the Opposition has had his turn, and I would like to hear the Secretary of State for External Affairs. I consider it permissible for him to indicate the disagreement with the view expressed by the Leader of the Opposition.

Some hon. Members: Hear, hear.

Mr. Green: In General McNaughton's case provision has been made each year since his 65th birthday, in 1952, when the Leader of the Opposition was secretary of state for external affairs—

Some hon. Members: Oh, oh.

Mr. Green: —to provide for continuation of his employment in the public service by means of an annual extension prior to his birthday.

As the house is aware, all Canadian judges retire at the age of 75. In the Canadian section of the international joint commission—

Mr. Martin (Essex East): Mr. Speaker on a point of order—

Some hon. Members: Sit down.

Mr. Speaker: Order. I think the hon. member's point is well taken. It is not permissible to debate the issue. If the Secretary of State for External Affairs would confine himself to the facts of termination, if it has come about, of the chairman's employment and not debate it, I would consider it relevant.

Mr. Green: Mr. Speaker, in the international joint commission Mr. Lucien Dansereau's term expired last year shortly after he reached the age of 75 years—

Mr. Martin (Essex East): On a point of order—

Mr. Pickersgill: A flagrant violation of the rules.

Some hon. Members: Sit down.

Mr. Speaker: Order. If the hon. member feels aggrieved that the comment is broader than it should have been and is not correct, perhaps I would be prepared to allow him to make an explanation to correct it, but I cannot find the Secretary of State for External Affairs out of order from phrase to phrase.

Mr. Martin (Essex East): On a point of order, Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Jones: What arrogance.

Mr. Speaker: Order. The hon. member for Essex East.

Mr. Martin (Essex East): Mr. Speaker, what the Secretary of State for External Affairs is doing is seeking to deal with the circumstances of the retirement of General McNaughton, which is not in issue. When I raised this as a point of order a few moments ago Your Honour said that I was justified, in other words indicating to the Secretary of State for External Affairs that he was out of order. The issue before us is clear; is it a matter that requires urgency of debate? That is the only issue before the house now. If the Secretary of State for External Affairs wishes to bring himself in order he should address himself to that question and to no other.

Some hon. Members: Hear, hear.

Mr. Speaker: Order. If the Secretary of State for External Affairs disagrees with the statement made, perhaps he would indicate what he thinks is the scope of his contribution at this time, and then I could deal with it.

Mr. Green: Mr. Speaker, I disagree with nearly everything the hon. member for Essex East says. His trouble is that he just cannot take his medicine.

Some hon. Members: Hear, hear.

Mr. Benidickson: That is no answer.

Mr. Speaker: Order. May I say, in an effort to clarify the extent of the discussion, that I am trying to obtain the assistance of the house in the decision which I have to make as to the urgency of debate regarding the matter which the Leader of the Opposition has asked leave to debate. It is only because the Leader of the Opposition made a statement which, as I indicated at the time, was not relevant to that issue—I refer to the statement with respect to the dismissal of the chairman—that I have allowed the contradiction to take place. I trust that the Secretary of State for External Affairs will hasten to deal with that part of the question and get on to the issue of urgency of debate.

Mr. Green: Mr. Speaker, in the case of General McNaughton the term was extended for approximately two months—

Some hon. Members: Oh, oh.

An hon. Member: Surely this is not relevant.

Mr. Green: —in order to enable him to attend the fiftieth anniversary meeting of the commission—

Mr. Pearson: Mr. Speaker, on a point of order—

Some hon. Members: Oh, oh.

Mr. Pearson: On a point of order, Mr. Speaker.

Mr. Speaker: Is it the same point of order?

Mr. Pearson: My point of order is that when I rose I said, "leaving aside the circumstances surrounding General McNaughton's dismissal", and Your Honour stopped me. The Secretary of State for External Affairs is now attempting to debate those circumstances. Surely he is not going to be permitted to go into the details of the matter without Your Honour giving me the same opportunity.

Mr. Speaker: I would think it would be highly improper to spend time at this stage debating the circumstances of the termination or the present employment of the chairman of the international joint commission, and even if the leave which is asked for were given I would consider it out of order to debate that issue. I feel that if the Secretary of State for External Affairs makes a simple denial of the statement that was volunteered we should drop the matter there and proceed to determine whether the house wishes to debate this issue.

Mr. Green: Mr. Speaker, statements have been made to the effect that prior to the signing of the so-called Columbia river treaty General McNaughton had dissociated himself from that treaty and had advised against signing it.

Mr. Martin (Essex East): Mr. Speaker, on a point of order—

An hon. Member: Sit down.

Mr. Martin (Essex East): Mr. Speaker, the fact that we are nearing the dissolution of parliament is no justification for any minister of the crown to so flagrantly violate the rules which has been done here today. Four times the Secretary of State for External Affairs was called to order but he continues to introduce material which is not relevant to the issue before us.

Mr. Benidickson: He is reading every word of a prepared statement.

Mr. Speaker: Order. Perhaps the hon. member would state specifically what he complains of.

Mr. Martin (Essex East): I am complaining that the Secretary of State for External Affairs, contrary to the ruling which Your Honour has stated three times—

An hon. Member: Four times.

Mr. Martin (Essex East): —has gone on to discuss circumstances having to do with the retirement of General McNaughton from the chairmanship of the international joint commission. I repeat, Mr. Speaker—and I do this knowing how much we are in Your Honour's debt for the way in which you have adjudicated over our proceedings—that the only issue before us is whether we are entitled to debate this as a matter of urgency. Obviously the Secretary of State for External Affairs is not addressing himself to this point. With great respect I say that the minister ought to be told that unless he does address himself to this one point, Your Honour does not propose to allow him to continue. That is the course which Your Honour took with regard to the Leader of the Opposition, and quite properly so. The one issue before us is, is this matter one of urgency? Is it of the same category, for instance, as the Coyne-Fleming dispute? I believe it is and—

Some hon. Members: Order.

Mr. Campbell (Stormont): Mr. Speaker, on a point of order—

Mr. Speaker: Order. I have heard the hon. member for Essex East. Again I think perhaps this is the same point of order. I was under the impression—and I may be mistaken—that the Secretary of State for External Affairs has dropped the issue of the employment of the chairman of the international joint commission—

Mr. Pickersgill: No; he is reading from the same statement.

Mr. Speaker: —and had proceeded to address himself to the question which I raised myself and which is raised by this request, as to whether it is urgent to debate the statement made by the chairman of the international joint commission.

Mr. Green: Mr. Speaker, that is exactly what I was trying to do.

Miss LaMarsh: You are reading the same speech.

Mr. Green: Mr. Speaker, statements have been made to the effect that prior to the signing of the so-called Columbia river treaty General McNaughton—

Mr. Benidickson: The minister has not turned the page of the statement he is reading.

Mr. Martin (Essex East): Mr. Speaker, on a point of order—

Some hon. Members: Oh, oh.

Mr. Hees: Sit down.

Mr. Speaker: The minister, I believe, is referring to statements made by the chairman—

Mr. Martin (Essex East): Which have nothing to do with the question before us.

Mr. Speaker: Well, I have not heard enough of what the hon. gentleman is saying to determine. Perhaps the Secretary of State for External Affairs would advise me whether he considers this a matter of urgency of debate, and that would settle the matter.

Mr. Green: Mr. Speaker, if the opposition would just let me proceed this would be through in a minute.

Mr. Pickersgill: No; the minister should not proceed to read a statement written outside the house.

An hon. Member: How do you know?

Mr. Green: While certain features of the treaty did not appeal to General McNaughton he did not advise against signing.

Mr. Chevrier: Mr. Speaker, on a point of order—

An hon. Member: They do not like it.

Mr. Chevrier: Mr. Speaker, my point of order is this. It is now quite obvious that the minister has before him a statement which has been prepared by someone outside the house, and he is insisting on reading it despite the ruling Your Honour has made.

Some hon. Members: Oh, oh.

Mr. Chevrier: Whether the statement was prepared outside or by the minister makes no difference. He is now trying to place on record this prepared statement contrary to the rules of the house and I submit, with deference, that he should not be allowed to do so.

Mr. Speaker: I feel that the minister is making statements that are related to the issue for which leave is requested. The views of General McNaughton are what the Leader of the Opposition wishes to debate as expressed in the statement which he has made.

Some hon. Members: No, no.

Mr. Speaker: It is not permissible, in determining whether there should be debate, to debate those views. I feel that the Secretary of State for External Affairs is getting into the substance of the debate which would take place if the house gave leave.

Mr. Green: Mr. Speaker, the Leader of the Opposition is now asking permission to adjourn the business of this house to spend a day debating a statement made in another country, made in Washington—

Mr. Pearson: Made in Ottawa.

Mr. Green: —by a public servant who is still a public servant, in which that public servant, a former Liberal minister—

An hon. Member: Candidate.

Mr. Green: —attacked his own government. Surely that is not a proper basis for a motion to adjourn the house. If Your Honour rules in favour of the Leader of the Opposition it will mean that any public servant can go out on the street in any country and attack his government and then have his friends in the House of Commons, for political purposes, rise and ask leave to adjourn the house to spend a day discussing the statement.

Mr. Pearson: Mr. Speaker, on a point of order—

Mr. Green: In my view, Mr. Speaker—

Mr. Speaker: Order. I will hear the Leader of the Opposition on a point of order.

Mr. Pearson: Mr. Speaker, when I rose to move this motion I had before me a text. I read the first line of that text and I said,

"Leaving aside the circumstances of the dismissal of a man," and Your Honour stopped me and I stopped, although I had before me another page dealing with those circumstances.

Mr. Starr: Who wrote the statement? Was it written by someone outside or inside the house?

Mr. Pearson: The Secretary of State for External Affairs is now asking Your Honour for permission to do exactly what Your Honour would not permit me to do. If he is to be granted that permission I hope Your Honour will give me the same opportunity to reply to what he is now saying, which has nothing to do with the question of the urgency of debating this matter, according to your own decision.

Mr. Green: If I may conclude, Mr. Speaker, may I suggest to Your Honour and to the house and to the people of Canada that the action of the Leader of the Opposition today is an example of irresponsibility at its worst.

Mr. Martin (Essex East): Order.

Mr. Speaker: Order. I recognize the hon. member for Kootenay West.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to rise and deal with the question of urgency, and I think I can stay in order. The motion has been moved by the Leader of the Opposition because of statements made by General McNaughton. In our opinion there is urgency of debate because these statements have rocked the country and they are rocking this government. They are in contradiction to statements made by the Prime Minister,—

Mr. Grafftey: You are already out of order.

Mr. Herridge: —the Minister of Justice, Premier Bennett of British Columbia, the attorney general of British Columbia and officials in the United States. Because of early dissolution we believe the house will have no other opportunity under the rules to discuss this question, and that the people of Canada are entitled to know the facts. This house should have an opportunity to debate this question now. On that account we claim debate is urgent on this important matter.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, may I raise a point in connection with the subject of urgency of debate. The Leader of the Opposition has said that the statement attributed to General McNaughton is such that it should be debated at once. The Leader of the Opposition is just three days late. This subject was debated in this house on April 6. It was debated by the hon. member for Kootenay West as well, as he was the one who introduced it.

Mr. Herridge: I asked questions.

Mr. Fleming (Eglinton): If this motion were accepted it would just be a duplication of a debate that has already occurred. The Leader of the Opposition was not in the chamber on Friday. The hon. member for Essex East was not in the chamber on Friday. They may not know what went on.

Mr. Martin (Essex East): I rise on a point of order—

Mr. Fleming (Eglinton): This matter was debated.

Mr. Martin (Essex East): I rise on a question of privilege.

Mr. Speaker: Order. The hon. member for Essex East raises a point of order with respect to what?

Mr. Martin (Essex East): I am raising a question of privilege.

Mr. Hees: Sit down.

Mr. Martin (Essex East): The Minister of Finance says I was not in the house on Friday.

Mr. Fleming (Eglinton): Friday afternoon.

Mr. Martin (Essex East): If the minister will consult the records of the house he will find that, once again, he is wrong. I was here on Friday.

Mr. Speaker: That is scarcely a point of order. Can the minister give the citation?

Mr. Fleming (Eglinton): The hon. member for Essex East was not in the house on Friday afternoon when this matter was discussed.

Mr. Martin (Essex East): I was so in the house.

Mr. Fleming (Eglinton): May I refer you, Mr. Speaker, to the debates of last Friday afternoon, April 6, commencing at page 2586. The house was in committee of supply on an item in relation to a payment of $50,000 for engineers' fees in connection with the Columbia river. On that occasion the hon. member for Kootenay West chose to introduce into the discussion the very statement which is the basis of the motion introduced this afternoon by the Leader of the Opposition. The afternoon newspaper had just carried the statement so the hon. member for Kootenay West, as found at page 2586, in the second column, read the entire statement into the record. He then proceeded to discuss it, and he did not stop there. After certain observations the hon. member for Laurier entered the act, and he spoke at considerable length. He raised questions and kept the debate going. Then, of

course, Bonavista-Twillingate could not sit back, so the member for that riding got into the act. You will find, Mr. Speaker, that he contributed his usual—

An hon. Member: Five cents.

Mr. Fleming (Eglinton): Whatever it may be. That may be found at page 2589. Then the hon. member for Laurier came back again and again. Then the hon. member for Kootenay West came back. Then the hon. member for Bonavista-Twillingate came back. Oh, yes, Mr. Speaker, I observe that the hon. member for Essex East did come in. I beg his pardon.

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): He came in.

Mr. Chevrier: The minister is wrong again.

Mr. Fleming (Eglinton): I apologize to the house for saying that the hon. member for Essex East was not here. He did come in at that particular point. That reference will be found at page 2591. He made probably the greatest utterance he has ever made in the house. He said, "Whose fault is it?"

Some hon. Members: Oh, oh.

Mr. Pickersgill: And General McNaughton gave the answer.

Mr. Fleming (Eglinton): Then the hon. member for Bonavista-Twillingate came in and the hon. member for Laurier and the hon. member for Kootenay West. He went over the whole story. They kept the debate going until the hour of five o'clock.

Mr. Martin (Essex East): I rise on a point of order. I regret being obliged to rise so often, but today we have had provocation. What the hon. gentleman is now doing is not addressing himself to the question of urgency. Whether there has been another discussion on certain aspects of the matter has nothing whatsoever to do with the proposal of the Leader of the Opposition, namely that this matter in its present context presents urgency of debate. That is the only issue before us. These ministers today, in these dying hours of this session, have been allowed, Mr. Speaker, to make irrelevant and improper remarks. The question is the suggestion of the Leader of the Opposition that the statement made by General McNaughton late Friday, and over the week end constitutes within our rules justification for urgency of debate. That is the only issue before us. These red herrings drawn in by the minister who had to do with the Coyne affair should not be allowed.

Mr. Fleming (Eglinton): Mr. Speaker, may I give the citation?

Mr. Speaker: I think perhaps I might save the minister some time by indicating—

Mr. Fleming (Eglinton): I have lots of time.

Mr. Speaker: —that the rules specifically prevent debate on a matter which has been discussed earlier in the session. Perhaps I had better read the rule. It is the sixth paragraph of rule 26, which I shall be obliged to consider:

> The right to move the adjournment of the house for the above purposes—

That is to discuss an urgent matter.

> —is subject to the following restrictions:
> —(c) the motion must not revive discussion on a matter which has been discussed in the same session;

I am not deciding that this matter has been discussed.

Mr. Pearson: May I say a word, Mr. Speaker?

Some hon. Members: Sit down.

Mr. Speaker: I think it is relevant to argue that it has been discussed. I therefore consider that the Minister of Finance is quite in order in the argument he is proposing.

Mr. Pearson: On the point raised by the Minister of Finance—

Mr. Fleming (Eglinton): May I proceed?

Mr. Speaker: Is the Leader of the Opposition raising a further point of order?

Mr. Pearson: I should like to comment.

Mr. Speaker: I will give the hon. member an opportunity if he disagrees with any statement that is made.

Mr. Fleming (Eglinton): If the Leader of the Opposition wishes to make a comment, may I conclude as briefly as possible my submission on this point. I was about to read the citation which evidently had escaped the knowledge of the hon. member for Essex East. The rule is quite clear that a motion for the adjournment of the house in the manner proposed by the Leader of the Opposition cannot be tolerated under the rule if the motion will revive discussion on a matter which has been discussed in the same session.

I say to you, Mr. Speaker, that nothing could be clearer than that not only has the same matter been discussed at the present session, but it was discussed only three days ago. What is the subject matter? The Leader of the Opposition wishes to discuss a statement by the Canadian chairman of the international joint commission that Canada's interests were sacrificed, and so on. That is the very statement that was read into the record on Friday afternoon by the leader of

the new party down there in the corner of the chamber. It was then debated and discussed, and that discussion is not completed. Under the rules of the house that discussion is still current.

With great respect, Mr. Speaker, I submit that there could not be a clearer case in which a motion of this nature could not possibly be entertained under the rules of this house. The statement is there. It is on the record. It was put there last Friday. It was debated by hon. members opposite who now say this matter should be debated. It was debated and, that debate is not concluded. There can be no possibility, Mr. Speaker, of entertaining a motion of this kind which would not only be a violation of the rules under citation 26 but, in my respectful submission, would be a complete duplication of a debate already held.

Mr. Pearson: As usual, Mr. Speaker, the minister is articulate without being logical. The minister said that this matter was debated last Friday. You yourself, Mr. Speaker, gave the impression that this matter had not only been debated but perhaps concluded last Friday. The item under which this short discussion took place—

Mr. Fleming (Eglinton): An hour and a quarter.

Mr. Pearson: —was introduced last Friday, but the minister has very conveniently forgotten that the discussion ended at five o'clock. It was only in respect of the statements purported to have been made by General McNaughton in Washington, statements made according to the Secretary of State for External Affairs outside the country, and therefore not debatable in this house because they were made outside the country. But that evening, Mr. Speaker, General McNaughton returned to Ottawa and made some devastating statements which, as the hon. member to my right has said, have rocked the country and the government.

It is those statements that we surely have the right to debate as a matter of urgency. As you suggested a little while ago, Mr. Speaker, perhaps this matter might have gone to a committee and we might have had a chance to debate it there, but on January 19, 1962, at the very beginning of this session I asked the Prime Minister this question, as found on page 16 of *Hansard*:

> May I ask the Prime Minister whether it is the intention of the government to submit the Columbia river treaty to a committee of the house for an examination during the present session of parliament?

The Prime Minister said:

> There is no intention of submitting the treaty to a committee of the house for examination.

[Mr. Fleming (Eglinton).]

That is in *Hansard*. As a matter of urgency, Mr. Speaker, we ask the right to discuss the statements made by General McNaughton last Friday, Friday evening and, over the week end, the comments on those statements and the contradictions by the minister. This matter should be cleared up and it should be cleared up now.

If the Prime Minister will give us the assurance that this particular item of the estimates will be reintroduced immediately this afternoon, we could do so then. If he will not give us that assurance, we have no reason to believe that this item will ever come before the house again and therefore, Mr. Speaker, we will have to persist in our motion.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. gentleman forgets that a further question was asked on March 21, 1962, to which I replied, as found on page 2020 of *Hansard*:

> —I think the hon. gentleman is fully aware of the fact that ratification by this house is necessary.

On the question of urgency of debate may I say that there has been no conclusion of the discussion of the supplementary item in question that was before the house on Friday. The opposition are not yet determining the course of the government, and I know it will be a long, long time before they will. We have been trying for 19 days to get the supplementary estimates through. If the opposition will deal with the legislative matters that are before the house and that have to be dealt with we will call supplementary estimates at the earliest possible date and they will have every opportunity to continue the discussion which they started last Friday.

We have nothing to conceal whatsoever. As a matter of fact, Mr. Speaker, and in answer to the hon. gentleman, I would simply point out what was the general view across Canada in October, 1960, as evidenced by an article in the Winnipeg *Free Press* of October 21 which stated that great credit is given to General McNaughton for having achieved agreement for the treaty, and that it was a victory for General McNaughton.

Mr. Speaker: Order. I have now had the assistance of a good many members of the house in determining whether leave should be given, and unless there is some erroneous argument or proposition that it is felt necessary to correct I propose to discharge my responsibility. The Leader of the Opposition indicated he may have felt there were statements made that went beyond the scope of the argument, and I would not want to dispose of the matter now if he feels he should

have the opportunity to comment, but only in the limited context that there is something erroneous before the Chair.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Fleming (Eglinton): Are you the leader of the opposition?

Mr. Martin (Essex East): —does Your Honour feel that you want to hear further argument in support of the motion made by the Leader of the Opposition? If Your Honour feels that is not necessary, I readily accede; but if it is necessary, then I should like to reply to the argument of the Minister of Finance and that of the Prime Minister. Only one argument has been put forward on this side on behalf of the position taken by the Leader of the Opposition, but we are in Your Honour's hands as to the necessity of further argument.

Mr. Speaker: If the hon. member for Essex East disagrees with the proposition that this matter has been discussed and is still open for discussion, I would hear him on that subject but not on anything else.

Mr. Martin (Essex East): I am sure Your Honour does not mean exactly that. That would mean that Your Honour would have given the Prime Minister, the Secretary of State for External Affairs and the Minister of Finance the opportunity of dealing with the merits of the proposal put forward by the Leader of the Opposition. I am prepared to support the position taken by the Leader of the Opposition in establishing that under our rules there is urgency of debate and to deal as well with the proposition of the Minister of Finance that the discussion on Friday precludes this matter being raised again.

I address myself on the merits that there is urgency of debate. If I wanted evidence to prove this position there is the statement just made by the Prime Minister that he does not propose to enable us to discuss this matter under another item. If the Prime Minister would now agree to revert to the particular supplementary item that was under discussion on Friday we could have a full discussion, but the Prime Minister said no, that he does not propose to have the opposition determine the business of the house. In my judgment that reply is sufficient answer.

The question of urgency arises in a number of ways, as the Leader of the Opposition has indicated. It arises first of all out of the fact that we are not now in a position to say, as Your Honour did on another occasion, that we may assume that the business of the house will continue in the normal way; because on Saturday last the Prime Minister, who is indulging in a game called the mystique of elections, said—

Mr. Speaker: Order. The hon. member for Essex East is retreading what has already been fairly amply dealt with. I was interested in the question whether the discussion last Friday could be said to have been a discussion of this statement. Certainly the statement of the chairman was quoted, referred to and discussed in the committee last Friday. With respect to that point, if the hon. member for Essex East wishes to argue that that was not a prior discussion of the matter presented by the Leader of the Opposition today, I think he might usefully make a contribution there. Otherwise, as I have said to him, I feel that there must be a limit to the discussion of the preliminary question or we might better go on with the debate. So I ask him to address himself to that and then leave the matter to me.

Mr. Fleming (Eglinton): The hon. member had better make way for "Pick". He could not do worse.

Mr. Martin (Essex East): Mr. Speaker, I assume from your last remarks that subject to the argument made by the Minister of Finance as to the relevancy of last Friday's discussion, Your Honour is of the view that the Leader of the Opposition has established a prima facie case for urgency of debate—

Some hon. Members: No.

Mr. Martin (Essex East): —and it is only because of that that I accede. Otherwise, surely Your Honour is not going to deny to a second speaker from the opposition the right to argue that this matter is one that does present urgency of debate. It is only because of the assumption I make that Your Honour believes that the Leader of the Opposition has properly established urgency of debate that I address myself to the question raised by the Minister of Finance.

Mr. Speaker: If the Leader of the Opposition feels that any point has not been fully presented, then he is entitled to consideration. I would indicate to him that the point raised by the Minister of Finance and the question I asked the Leader of the Opposition as to the urgency and importance of debating this matter at this time, when ratification of the treaty has to come before the house for debate at some other time, are the two points that seem to me to be relevant. If he has anything further to add on those points I will hear him. Otherwise I suggest that I deal with the matter.

Mr. Pearson: Mr. Speaker, you have asked me if I have anything to say on those two points, and of course I have. On the first point regarding the argument that this matter was disposed of in discussion last Friday I have already stated, notwithstanding the

long harangue of the Minister of Finance, that this matter was not discussed or disposed of last Friday, except in reference to the statement that General McNaughton made in Washington. General McNaughton came back to Canada Friday evening after the house had risen and at that time, according to the press, General McNaughton said, and I read from the press report:

General Andrew McNaughton, stoking more fuel on his charge of a power sell-out to the United States over the Columbia river has said Prime Minister Diefenbaker is a "dictator"—

That statement has been denied, but that was not mentioned in the House of Commons because it had not been made when the committee was sitting.

Mr. Harkness: It is too ridiculous to be mentioned.

Mr. Pearson: It might not be ridiculous in the country.

The other point was that the Prime Minister had indicated that ratification has to be discussed in the House of Commons. Well, of course, that is not true. The Prime Minister ought to know that ratification is an executive act and has nothing whatever to do with the House of Commons. As the Prime Minister, who is an old parliamentarian, should know, ratification is not a matter for decision in the House of Commons. It has become a convention of our constitution that the House of Commons should examine and approve matters of importance which require ratification by the government. When I asked the Prime Minister if these matters would be considered and approved in the House of Commons during this session before ratification, the Prime Minister said no.

Mr. Diefenbaker: No, no.

Mr. Pearson: I asked him if these matters would be submitted to a committee for consideration.

Some hon. Members: Oh, oh.

Mr. Pearson: Well, Mr. Speaker, it is obvious that this treaty, before ratification, should go before the committee on external affairs. If it is not considered by a committee—

Mr. Diefenbaker: What treaties, when you were in office, did you send before a committee?

Mr. Pearson: The Prime Minister, who is afraid to look at the present or the future, begins to look far back. I tell the Prime Minister that the committee on external affairs considered every important treaty while we were in office.

Mr. Jones: The Liberals are running from the past.

[Mr. Pearson.]

Some hon. Members: Nonsense.

Mr. Pearson: The Prime Minister has said this treaty will not go to the House of Commons during this session; that is one matter relevant to the necessity for discussing this subject right now. The Minister of Finance also said that all these matters were discussed last Friday, irrespective of what General McNaughton said when he returned Friday evening and irrespective of the comments over the week end. The argument of the Minister of Finance is nonsense under the circumstances.

I am satisfied, therefore, you will appreciate that this is a reasonable motion and it should be admitted that we should discuss this matter now as a matter of grave importance.

Mr. Speaker: Reference has been made to the bringing before this house of the Columbia river treaty. The Leader of the Opposition has mentioned referring the question to the committee on external affairs. The Prime Minister referred to a question which appears at page 2020 of *Hansard* for March 21, 1962, which I take it is an assurance by the Prime Minister that the ratification of this house is considered necessary by the government before the treaty will be ratified.

Mr. Diefenbaker: That's right.

Mr. Speaker: Now, that may not be legally necessary, but I take it that is the statement. In order that the statement will be on the record I shall read the question and answer:

Mr. Speaker, may I ask the Prime Minister, in view of certain statements that have been made in recent days, whether he can give the house an assurance that the Columbia river development treaty with the United States will not be ratified until it has been discussed and approved in this house?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think the hon. gentleman is fully aware of the fact that ratification by this house is necessary.

The Leader of the Opposition properly indicates that ratification, in law, may be made by the government without consideration by the house. However, I took the statement—and I have the Prime Minister's assurance that that is what he intends—to mean that the treaty will not be ratified without being brought before the house.

I approach the problem with that in my mind. In so far as the statement the Minister of Finance made is concerned that there had been discussion, I would not like to base a decision on that earlier discussion because, although it involved the same statement that creates the issue today, that discussion was on an item of northern affairs which did not involve the Columbia treaty directly. What

I consider to be the matter of public importance that is now raised is the wisdom or desirability of the present treaty on the Columbia. The statement that the Leader of the Opposition asked to debate was the statement that Canada's interests were sacrificed in the treaty which has been signed by Canada and the United States with respect to Columbia power.

Now, the urgency of debate on that matter, to my mind, has to be determined not on the fact that the chairman of the international commission made a statement last week, but on whether there is an opportunity for the house to deal with the matter before the consequences of the treaty become effective. The treaty cannot become effective until it has been ratified, and the house is assured that it will not be ratified until the house has had an opportunity of debating it.

We are therefore faced with this proposition; that before any harm to Canada's interests can arise, the house will have an opportunity to debate this issue. It seems to me that takes care of the argument about the urgency of debate. This treaty was signed something in the neighbourhood of a year ago and has been discussed from time to time, and I recall that another motion was made under this same rule to debate this same treaty about a year ago.

The contrary argument to that which I have been accepting is that there is something in the statement which General McNaughton made which is of urgent public importance in itself. I cannot see how it can be important except in relation to the treaty which he is discussing. As I have said, the treaty cannot be implemented until it has been debated.

Mr. Hellyer: Would Your Honour listen to one point on this particular question?

Some hon. Members: Order. Sit down.

Mr. Speaker: I will hear the hon. member if he has something to say. It seems to me that to ask to interrupt the important business which is on the order paper under this rule is unwarranted.

Hon. Paul Hellyer (Trinity): The point you have just made, sir, is that the question of urgency revolves around the question of the consequences of the treaty being signed or not signed at this particular time. May I just call to Your Honour's attention the following statement by the Minister of Justice in Vancouver last year as reported on July 25:

> The United States will not wait forever . . . if it's not settled in a matter of months, we are in danger of losing the whole thing.

Surely there are consequences implied here which can be either way, consequences if the treaty is ratified and consequences if the treaty is not ratified, and it seems to me a matter of urgency that we have a discussion of the facts so that we shall know these consequences.

Some hon. Members: Order.

Mr. Speaker: I appreciate that the matter may be looked at in different ways, but I have a clear view that the matter of urgent debate must be one of public importance and significance, and that is public importance arising out of the importance of the treaty itself and its consequences. To my mind no public interest will suffer if this is not debated today, and there will be plenty of opportunity to deal with other aspects of the statement made by the chairman of the joint commission.

PRIVILEGE

MR. CHEVRIER—CONTROL OF EXPENDITURES BY HOUSE

Hon. Lionel Chevrier (Laurier): I rise on a question of privilege. The question of privilege that I wish to discuss has to do with the right of the House of Commons to vote the expenditures of public moneys by the Queen's ministers. The House of Commons has the right to control these expenditures; and after the discussion we have just had, and particularly having regard to the statements made by the Prime Minister and others, I say there is a clear right on the part of the house to discuss expenditures.

We have before us in the house at the moment in further supplementary estimates No. 4 a commitment to spend $138 million. That money has not yet been voted. Notwithstanding the fact that these matters have been before the house from time to time, March 31, which is the end of the fiscal year, has gone by and there has been no complete opportunity on the part of the house to dispose of this matter.

I say to you with respect, sir, that the government has a constitutional obligation to pass these supplementary estimates before dissolution. This is a fundamental right which the elected members of parliament have, but instead of that, on Friday the house leader chose to announce hypothetical legislation for today and I say, with respect, that the government has delayed consideration of these estimates although we have asked for them repeatedly.

I also say to you, sir, with respect that the Speaker has a responsibility, and a very serious one, in this matter. The Speaker is an officer of the house, and he has the responsibility to uphold the rights of the elected representatives in the House of Commons.

There is, and there has been, a denial of our right to discuss these further supplementary estimates. I also say, having regard to the statement made by the Prime Minister, that we will not be given the immediate opportunity to discuss a matter which has been before the house quite recently, and I say too that the government cannot pay this $138 million until an appropriation bill has passed through this house.

If we are to have responsible government in this country the government should bring the supplementary estimates before the house. That is our fundamental right, and the government should explain—

Some hon. Members: Order.

Mr. Speaker: Perhaps the hon. member has not finished, but I find difficulty in seeing that the point of privilege which he raises has yet arisen. It seems to me he is anticipating. What basically is involved is the right of the government to order its business in the way it thinks appropriate. No one will disagree with the proposition that the government of Canada cannot spend money without the concurrence of parliament, but what I am concerned about is whether the hon. member can relate his question of privilege to something that has occurred, or is he entirely anticipating something that will occur?

Mr. Churchill: It is a bogus question of privilege.

Mr. Chevrier: Yes, Mr. Speaker. There is this fact that nine days have elapsed since the fiscal year ended, and from statements made by the Prime Minister outside this house, and from the statement which the Prime Minister has made this afternoon, it is quite clear that we are not going to be given an opportunity to deal with this matter now.

Mr. Speaker: I think the hon. member is asking me to make the assumption that the government will not behave in a constitutional way. I cannot make that assumption in advance; therefore I see no substance in the argument at this time.

Mr. Diefenbaker: Mr. Speaker—

Mr. Chevrier: Mr. Speaker, on a point of order, I had not completed my remarks.

Mr. Speaker: Order. Perhaps I should let the hon. member conclude, but I have told him I see no substance in his argument.

Mr. Chevrier: Well, Mr. Speaker, I wanted to conclude.

Mr. Speaker: When the hon. member has concluded I shall hear the Prime Minister.

[Mr. Chevrier.]

Mr. Chevrier: I thought I had laid the basis for a motion which I intended to make. I now move, seconded by the hon. member for Bonavista-Twillingate, that the house do now proceed to item No. 16 of government orders for the purpose of exercising the time-honoured and fundamental right to control the expenditures of the Queen's ministers in accordance with the principles of responsible government.

Mr. Jones: An abuse of the English language.

Right Hon. J. G. Diefenbaker (Prime Minister): The moving of that motion, Mr. Speaker, just indicates the limits to which the opposition will go. They realize full well—

Some hon. Members: Order.

Mr. Chevrier: The motion has not been put.

Mr. Speaker: I have heard the hon. member for Laurier make a proposal which he claims raises a question of privilege, and I dare say the Prime Minister would wish to comment on it, which he is entitled to do.

Mr. Diefenbaker: The hon. member rises on what he calls a question of privilege. Then he proceeds to make statements that are without basis in fact, and he ends up with a motion that is entirely out of order. Motions have to be moved in the proper way, and so far as his present allegation is concerned, no government has ever been obstructed in the manner in which this government has been and is being obstructed by the opposition on supplementary estimates. Outside the House of Commons these hon. gentlemen are forever challenging an election, but inside the House of Commons they are sitting in fear.

Mr. Chevrier: It is certainly not fear of you.

Mr. Diefenbaker: Over and over again—

Mr. Hellyer: Tell us another good joke.

Mr. Diefenbaker: Over and over again they have had the opportunity to deal with supplementary estimates. They covered the estimates in general. Then the supplementary estimates were introduced and we had 19 days on the earlier supplementary estimates and we have had four days on the present ones. We have allowed them to go on and on.

Mr. Pickersgill: Allowed them? The dictators.

Mr. Diefenbaker: That was not the kind of treatment the opposition got when those gentlemen were over here. They introduced the closure of debate. They trampled on the opposition. We have allowed them—

Mr. Speaker: Order. We are getting a little far afield when we get on to closure. Would the Prime Minister deal with the question of the supplementary estimates and the alleged matter of privilege?

Mr. Diefenbaker: I surely have the right to answer these hon. gentlemen who speak of dictators. These were the petty dictators of those days. These are they.

Mr. Chevrier: You are the dictator.

Mr. Diefenbaker: The same old bunch. I submit that the motion is out of order. It is obviously an intended subterfuge on their part. They have had 23 days to discuss supplementary estimates, and now the hon. gentleman has the colossal nerve to stand there and say these things should have been put through by March 31.

Mr. Chevrier: Why didn't you bring them on before? We waited for weeks before they were brought on.

Mr. Diefenbaker: Mr. Speaker, we waited for weeks and weeks and the hon. gentlemen, while their leader was travelling around, were talking.

Mr. Chevrier: Where have you been?

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Diefenbaker: Mr. Speaker—

Mr. Martin (Essex East): We will be travelling more, too.

Mr. Diefenbaker: —hon. gentlemen opposite have been talking and talking. I asked them to pass the supplementary estimates and I said, "Let us get the legislation through and then we will have the opportunity of answering to the Canadian people", and I know what the result will be.

Some hon. Members: Hear, hear.

Mr. Pigeon: They have no leader; they are not ready to face an election.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, perhaps I might have an opportunity to comment on some of the gratuitous and characteristically personal references made by the Prime Minister. The Prime Minister has accused us on this side of the house of being petty dictators. That phrase might be applied to hon. gentlemen opposite without the word "petty" before it. The Prime Minister has also accused me of travelling instead of remaining in the house and presumably obstructing the legislation. The Prime Minister cannot have it both ways.

Some hon. Members: Hear, hear.

Mr. Pearson: The Prime Minister should be the last person in Canada to talk about travelling. The sky is full of government aeroplanes these days going to political meetings.

Mr. Speaker: Order.

Mr. Pigeon: They have no leader.

Mr. Speaker: Order. I am very loth to interrupt such an interesting debate, but I have heard the argument pro and con on this motion which, if it stands, must stand as a motion based on privilege. In my opinion it does not.

Mr. Pickersgill: Mr. Speaker, as the seconder of the motion—

Some hon. Members: Oh, oh.

Some hon. Members: Order.

Mr. Pickersgill: —I would hope I could be heard before Your Honour makes a decision.

Mr. Speaker: Order. If I could be assured by the hon. member that he will direct his remarks to that issue and not join in the debate which I feel would be more appropriate on another occasion, I will hear what he has to say. The motion is to order government business. If there is a question of privilege to found the motion on, that is the only consideration that would be relevant. I can see none. I will give the hon. member a brief opportunity to speak.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I will address myself very strictly and narrowly to the question of privilege involved. The question of privilege is the prior right of the House of Commons to vote supply before proceeding with the Queen's business.

Mr. Hellyer: Hear, hear.

Mr. Pickersgill: This is what Simon de Montfort asserted; this is what William Lyon Mackenzie asserted—

Some hon. Members: Oh, oh.

Mr. Pickersgill: Here we have $138 million in the supplementary estimates that have not yet been voted. They relate to the last fiscal year, not the present fiscal year, a fiscal year that ended nine days ago. Except for one hour last week the government did not bring forward these supplementary estimates, notwithstanding the fact that they had committed the name of Canada to the spending of this money. I suggest that the most fundamental and elementary of all the rights of the House of Commons is to vote supply before going on with the business of the government. These ministers forget they are ministers; they forget that the House of Commons is supreme.

I say, sir, that the fiscal year having ended, no other business should or properly could be taken up in the house until the accounts of the previous year are settled and until the government—which have no right to take this for granted—are satisfied by a vote on these matters that a majority of the members of parliament still have confidence in them. That is what parliament is about, in case the right hon. gentleman has forgotten. That is why I am asserting—

Mr. Speaker: Order.

Mr. Pigeon: Obstruction.

Mr. Speaker: Order. I appreciate the hon. member's argument on the basic right of parliament to vote supply before the money is spent. If governments do not comply with that basic right of the House of Commons, then they are open to criticism and censure. But the ordering of the business of the government is its own responsibility. It is when the expenditure is made without authority that a constitutional issue arises. I think hon. members have anticipated that there will be some unconstitutional act, rather than demonstrating one; therefore I do not propose to accept the motion.

Mr. Hellyer: Control by an irresponsible government.

Mr. Fleming (Eglinton): A babbling brook over there.

Mr. Starr: They have wasted 2½ hours this afternoon.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

AIRSTRIP, STEEP ROCK IRON MINES, ATIKOKAN

Question No. 336—**Mr. Fisher:**

Up to March 23, 1962, had the Department of Transport been asked by any person, association, or municipality to take over the airstrip at Steep Rock Iron Mines, Atikokan; and, if so, who or what were they; on what dates, and by what means, did they approach DOT; and to what effect were the representations?

Answer by: **Mr. Martini:**

Yes: by letter of July 2, 1958 from Mr. W. M. Benidickson, M.P., and by further letter of June 12, 1961, forwarding a letter from Mr. Baswick, reeve of Atikokan. These representations requested the department to look into the possibility of taking over the maintenance and operation of the Atikokan airport.

Investigations indicated that the present strip was a small one and because of its location could only be expanded and developed at high cost; and that the airport did not fall within the category for which the federal government normally assumed responsibility but fell within the category where further development would require a cost-sharing program with local interests and is of a standard and type which, under normal federal policy, is operated by local interests rather than by the federal government.

PORT ARTHUR SHIPBUILDING LTD.

Question No. 337—**Mr. Fisher:**

Has the Canadian maritime commission, the records of annual expenditure for both shipbuilding and ship repairing in each of the shipbuilding yards in Canada; and, if so, what are the annual figures in each case for Port Arthur Shipbuilding Limited, since 1955, with a breakdown which distinguishes government craft and naval craft?

Answer by: **Mr. Martini:**

The information provided by Canadian shipyards to the Canadian maritime commission concerning annual expenditures on repairs and conversions is supplied to the commission on a confidential basis and is, therefore, not available for release. With regard to government construction contracts at the shipyard of Port Arthur Shipbuilding Limited there is official record as follows:

(a) Government naval minesweeper, delivered in 1957, cost $4,416,000.

(b) Government icebreaker, *Alexander Henry*, delivered in 1959, cost $2,795,000.

*PORT ARTHUR SHIPBUILDING—VESSEL CONSTRUCTION CONTRACTS

Question No. 338—**Mr. Fisher:**

1. On March 23, 1962, did the Department of Transport or the Canadian maritime commission have any information to indicate that Port Arthur Shipbuilding Limited, had at hand or would have at hand in 1962, any vessel construction contracts under the subsidy arrangement announced on May 12, 1961?

2. If not, has either the commission or the Minister of Transport received any communications from the parent company of Port Arthur Shipbuilding Limited, the Canadian Shipbuilding Company, which indicate any reasons why such contracts have not been assigned by the parent company to the Port Arthur yard; and, if so, what are the reasons?

3. Has the Canadian maritime commission any information which would indicate that Port Arthur Shipbuilding Limited might be given a contract in 1962 to build a government vessel or that it was bidding for the right to build such vessel or vessels; and, if so, what are the details?

Mr. Martini:

1. No application has been received from Port Arthur Shipbuilding Limited.

2. No.

3. The Canadian maritime commission has no information that an order will be placed.

RADIO AND T.V. STATIONS, MARITIME PROVINCES

Question No. 353—**Mr. Creaghan:**

1. How many English language radio and television stations are there in the maritime provinces

owned by the Canadian Broadcasting Corporation, and where are they located?

2. How many news rooms are maintained for the same, and what is the total estimated annual cost to the corporation?

3. How many French language radio and television stations are there in the maritime provinces owned by Radio Canada, and where are they located?

4. How many news rooms are maintained for the same, and what is the total estimated annual cost to Radio Canada?

Answer by: **Mr. Lambert:**

I am informed by the Canadian Broadcasting Corporation as follows:

1. Three English language radio stations and four low power radio transmitters. The stations are situated at Halifax and Sydney, N.S. and at Sackville, N.B. The low power transmitters are located at Edmunston, Grand Falls, Plaster Rock, N.B., and Barrington, N.S.

One English language television station at Halifax, N.S. plus three T.V. rebroadcasting stations, which carry the Halifax station service, located at Liverpool, Shelburne and Yarmouth, N.S.

2. One English language news room located in Halifax, serving both radio and television operations in the maritimes. The operations cost annually is estimated to run to about $175,000, which includes television film stock, film processing, freelance cameramen's fees, etc.

3. The corporation has one French language radio station and one French language televison station at Moncton, N.B. In addition there are six low power radio transmitters located at Digby, Weymouth, Meteghan, Yarmouth in Nova Scotia, and Kedgwick and St. Quinton, N.B. carrying the French network service.

4. The corporation does not maintain a French language news room in the maritimes. The stations carry the news broadcasts of the French network originating from Montreal. The radio station in Moncton provides a local news service through an arrangement made with the French language newspaper *L'Evangeline*. It is not considered to be in the public interest to disclose details of such contractual arrangements, as it would affect the position of the corporation in a competitive business in negotiating for services.

*CASES DECIDED ON BILL OF RIGHTS

Question No. 358—**Mr. Matheson:**

Has any case, in which the Department of Justice was involved, been decided on the basis of the Canadian Bill of Rights; and, if so, which case or cases?

Mr. Bell (Saint John-Albert): There are four decided cases in which the Department of Justice was represented and in which a provision of the Canadian Bill of Rights was in issue or was raised in argument. These cases and their citations are as follows:

Sun v. Attorney General for Canada, 1961 S.C.R. 70; Rebrin v. Bird and the Minister of Citizenship and Immigration, 1961 S.C.R. 376; Walsh and Jordan, 1962 O.W.N. 88; Lafleur v. Guay and the Minister of National Revenue, 61 D.T.C. 1059.

*GRAIN CARRIED UNDER CROWSNEST PASS RATES

Question No. 374—**Mr. Fisher:**

Has the government been provided, in the last two years, with any estimate of the difference between income and revenue to the railways from grain carried under the Crownsnest pass rates; and, if so, what agency provided the figures, how detailed were the studies, what official authority was given to determine these figures, and what use, if any, does the government plan to make with them?

Mr. Martini: Special studies and submissions on the cost of moving grain at statutory and related rates were presented by Canadian National Railways, Canadian Pacific Railway Company, the provinces of Alberta and Manitoba and the grain trade to the royal commission on transportation which was appointed pursuant to order in council P.C. 1959-577, dated May 13, 1959.

The commission made an independent assessment of the studies and submissions and alternative figures arrived at by experts retained by the commission. Certain conclusions and estimates of the commission are contained in volume 1 of its report. The commission has also reported that special studies will be included in volume 3 which has not yet been received by the government. No other estimates of the cost of moving such grain have been provided to the government during the past two years.

WINDOW CLEANING CONTRACTS, MILITARY COLLEGE AND R.C.A.F. STATION, QUE.

Question No. 382—**Mr. Dupuis:**

1. Since March 1957, has the government awarded any window cleaning contracts with respect to Le Collège Militaire Royal de Saint-Jean, and the R.C.A.F. station in the same city, province of Quebec?

2. If so, when were such contracts awarded, and what are the names of the tenderers for each of the abovementioned contracts, the amount of each tender, and the names of the tenderers to whom the contract was awarded in each case?

Answer by: **Mr. O'Hurley:**

1. Because of the tremendous volume of files processed in the district offices of the Department of Defence Production and the limited storage space available, files are kept for a period of three years only. Therefore it is not possible to provide the information requested from March, 1957. Information is, however, available from March, 1959 to the present time.

Questions

Two contracts were placed by the Montreal district office of this department for window cleaning at R.C.A.F. station St. Jean, P.Q., and College Militaire Royal, St. Jean, P.Q., during the latter period.

2. On September 16, 1959, a contract in the amount of $560 was awarded to Lussier Window Cleaning, 466 St. Jacques st., St. Jean' P.Q. for the exterior cleaning of approximately 1,400 second storey windows at R.C.A.F. station St. Jean, P.Q. Tenders were not invited in this instance because Lussier Window Cleaning was the only known firm in the area at that time that was interested in, and capable of, providing this service.

On June 7, 1961, a contract in the amount of $3,070 was awarded to Astor Window Cleaning Co., 3634 Drolet st., Montreal, P.Q. for the exterior cleaning of approximately 3,264 windows on the first storey, 1,282 windows on the second storey and 741 windows on the third storey of various buildings at R.C.A.F. station St. Jean and College Militaire Royal, St. Jean, P.Q. the dates for cleaning were June and September 1961.

Firm	Tender Response June cleaning	Sept. cleaning
Affiliated Building Services Co., 1500 St. Catherine st. West, Montreal 25, P.Q.	$1,057.40	$1,057.40
Astor Window Cleaning Co., 3634 Drolet st., Montreal, P.Q.	1,575.00	1,495.00
Quick Window Cleaning Co., 4981 Barclay ave., Montreal, P.Q.	1,615.05	1,615.05
Fire Prevention Service Co., 1500 St. Catherine st. west, Montreal, P.Q.	1,823.00	1,823.00
Lussier Window Cleaning Enrg., 466 St. Jacques st., St. Jean, P.Q.	1,850.90	1,850.90
Service De Lavage General, 80 rue Olivier, Victoriaville, P.Q.	2,095.00	1,995.00
Imperial Building Maintenance, 9255 St. Michel blvd., Montreal 38, P.Q.	2,325.00	2,331.00

The lowest tenderer, Affiliated Building Services Co. was not accepted, as a post tender investigation disclosed the fact that, at the time, this firm lacked the necessary resources to successfully execute the work.

CONSTRUCTION SUBSIDY ON FOREIGN OWNED SHIPS

Question No. 388—**Mr. Broome:**

Do the regulations governing ship construction subsidy, allow subsidy to be paid to foreign owned ships built in Canadian yards; and, if so, has the Department of Transport or the maritime commission any knowledge as to whether other countries, giving a similar subsidy, follow this same procedure?

Answer by: **Mr. Martini:**

No. The applicable paragraphs of the regulations read as follows:

2. (i) "shipbuilders" means a Canadian citizen or a corporation incorporated under the laws of Canada, or any province of Canada that is engaged in the business of shipbuilding;

(j) "shipowner" means a Canadian citizen, a corporation incorporated under the laws of Canada or of any province, or Her Majesty in right of any province.

APPLICATIONS FOR APPROVAL OF PARIMUTUEL BETTING

Question No. 403—**Mr. McIlraith:**

1. Are any applications from racing associations for approval of parimutuel betting, pursuant to section 178 of the Criminal Code, pending before the Minister of Agriculture?

2. How many of such applications have been approved, and how many have been rejected since January 1, 1961?

3. What are the names of the associations whose applications have been approved since January 1, 1961?

Answer by: **Mr. Jorgenson:**

1. Yes.

2. Nineteen (19) new applications approved, fifteen (15) new applications rejected.

3. 1. High River Agricultural Society. 2. Lake McGregor Memorial Park Association. 3. Millarville Racing and Sports Association. 4. Calgary Trotting and Pacing Association. 5. Northern Alberta Trotting and Pacing Association. 6. Kirkfield Park Jockey Club. 7. Western Fair Association. 8. Central Canada Exhibition Association. 9. Alviston Driving Club. 10. Grimsby Recreation Company Limited. 11. Prince County Horsemens Club. 12. Osnabruk Racing and Driving Association. 13. Williamstown Driving Park Association Limited. 14. Ottawa Valley Driving Club. 15. Tillsonburg Driving Park Association. 16. Grimsby Driving Park and Athletic Association Limited. 17. Mount Royal Jockey Club Incorporated. 18. King Edward Park and Amusement Company. 19. Montreal Jockey Club.

OTTAWA VALLEY DRIVING CLUB

Question No. 404—**Mr. McIlraith:**

1. Has Ottawa Valley Driving Club Ltd. ever conducted race meetings under the supervision of the Minister of Agriculture; and, if so, where, and on what dates?

2. Has the said club applied since January 1, 1961, for approval of parimutuel betting; and, if so, what disposition has been made of such application?

3. Who are the directors of the club?

Answer by: **Mr. Jorgenson:**

1. No.

2. Yes, The Ottawa Valley Driving Club Limited has been granted tentative approval for racing dates subject to the provision of a proper race track with proper parimutuel wagering equipment and facilities and all other pertinent requirements.

3. J. W. Baskin, Paul Hudson, Gordon McDougal, Warren Armstrong, H. J. Patterson, M. Wright, L. Armstrong.

TILLSONBURG DRIVING PARK ASSOCIATION

Question No. 405—**Mr. McIlraith:**

1. Has the Tillsonburg Driving Park Association Ltd. ever conducted race meetings under the supervision of the Minister of Agriculture; and, if so, where, and on what dates?

2. Has the said association applied since January 1, 1961, for approval of parimutuel betting; and, if so, what disposition has been made of such application?

3. Who are the directors of the association?

Answer by: **Mr. Jorgenson:**

1. No.

2. Yes. The Tillsonburg Driving Park Association Limited has been granted tentative approval for racing dates subject to the provision of a proper race track with proper parimutuel wagering equipment and facilities and all other pertinent requirements.

3. Scott Merrill, J. W. Baskin, Warren Armstrong, E. L. H. Burpee, L. Armstrong.

NATHAN LEWIS, R.C.A.F. STATION, TORBAY, NFLD.

Question No. 407—**Mr. Regier:**

1. Was a Mr. Nathan Lewis employed as a civilian employee at the R.C.A.F. station at Torbay, Newfoundland; and, if so, what were his responsibilities, and for what period or periods was he so employed?

2. Has Mr. Lewis been suspended from his duties; and, if so, for what reason, and on what date?

3. Where, and in what manner, is the suspension to be terminated?

4. Has Mr. Lewis been given a hearing regarding his suspension, and will he be given a hearing before the suspension is terminated?

5. What is regarded as the normal period of keeping a worker under suspension in cases of this kind?

Answer by: **Mr. Chambers:**

1. Mr. Nathan Lewis was hired on December 5, 1958 as a cleaning service man at R.C.A.F. station Torbay. Mr. Lewis was employed in this position until October 16, 1961.

2. On October 16, 1961, Mr. Lewis was suspended from his duties pending approval of a recommendation from the commanding officer, R.C.A.F. station Torbay, that he be dismissed because of unsatisfactory service, including tardiness, absenteeism, disregard of regulations and instructions, and a complete lack of responsibility and dependability.

3. Under P.C. 1962-6/463, dated April 5, 1962, Mr. Lewis was dismissed from the government service.

4. Early last year, Mr. Lewis was warned of his shortcomings and placed on probation. When no improvement was forthcoming, Mr. Lewis was advised that he was being placed on suspension pending approval for his dismissal. At that time, he was informed of his right under the civil service regulations to present his side of the case to a senior officer of the department. A hearing by the commanding officer, R.C.A.F. station Torbay, was arranged for November 17, 1961. Mr. Lewis was informed of the hearing by registered mail, but did not appear. In January, 1962, Mr. Lewis came to Ottawa and was interviewed by the R.C.A.F.'s director of civilian personnel.

5. There is no "normal" period of keeping under suspension employees recommended for dismissal, since each case is treated as an individual matter in accordance with all the circumstances surrounding it.

EDMONTON POST OFFICE

Question No. 408—**Mr. Matheson:**

1. When did the government announce its intention to construct a new Edmonton post office?

2. When was real estate purchased for this purpose?

3. When were architectural plans commissioned?

4. When does the government intend to call for tenders?

Answer by: **Mr. Walker:**

1. There is no intention to construct a new post office in Edmonton. It is assumed that the reference is to additions and alterations planned for postal terminal A, an existing building. No announcement has been made concerning this project but the information was published in the estimates of the Department of Public Works for the fiscal year 1960-1961.

2. The land was expropriated May 13, 1960.

3. April 23, 1959.

4. As soon as plans and specifications are completed.

*REMOVAL OF DYNAMITE BLASTING POWDER FROM STRATEGIC LIST

Question No. 409—**Mr. Morton:**

When was dynamite blasting powder removed from the list of strategic materials?

Mr. Morris: Dynamite was deleted from the Canadian export control list with the revision of the list under order in council P.C. 1954-1226 of August 18, 1954. This action followed the deletion of dynamite from the international strategic control list.

Questions

*RADIO STATION LICENCES, SPECIAL BAND

Question No. 419—**Mr. Deschatelets:**

1. Has the Minister of Transport announced by way of a press release dated May 10, 1961, that new licences for radio stations operating on a special band would be issued on April 1, 1962?

2. Have such licences been issued, as promised, on April 1, 1962; and, if not, for what reason were those licences not issued, and for what period of time is the issue of such licences being postponed?

3. How many manufacturers have informed the department that they were ready to operate as of April 1, 1962?

4. How many manufacturers had their radio stations approved prior to April 1, 1962, according to the departmental specifications?

5. Does the government intend to compensate the manufacturers, the distributors, and the retailers who have invested large sums of money, following the press release issued by the Minister of Transport on May 10, 1961, for failing to issue licences for such radio stations?

Mr. Martini: Mr. Speaker, the answers to the five parts of this question are as follows:

1. Yes.

2. Yes.

3. Sixty-two pieces of equipment from manufacturers and distributors have been processed by the Department of Transport prior to April 1, 1962; of those, 22 have been approved.

4. No radio station, as such, was approved prior to April 1, 1962.

5. Answered by 2.

*TECHNICAL AND VOCATIONAL TRAINING GRADUATES

Question No. 420—**Mr. Pitman:**

1. What has been the total number of graduates from all courses for unemployed persons sponsored under schedule M to the agreements under the Technical and Vocational Training Assistance Act as of the latest date for which figures are available?

2. What has been the total number of graduates from all courses for unemployed persons sponsored thereunder in Ontario as of the latest date for which figures are available?

3. Does the Department of Labour have information regarding the number of these course-graduates who have found employment; and, if so, how many have become re-employed?

Mr. Thrasher: Mr. Speaker, the answers to the three parts of this question are as follows:

1. Total number of graduates in all courses from January 1, 1961 to February 28, 1962 is 9,183.

2. Total number of graduates in Ontario for the same period is 1,453.

3. No.

*N.H.A.—LOANS FOR FALL-OUT SHELTERS, OTTAWA

Question No. 421—**Mr. Pitman:**

How many in the city of Ottawa have received loans for fall-out shelters under the National Housing Act loans for new houses and under the home-improvement loan provision of the N.H.A.?

[Mr. Morris.]

Mr. Walker: Mr. Speaker, the answer to this question, in tabulated form, is as follows:

Number of fall-out shelters built in the Ottawa area under the provisions of the National Housing Act to January 31, 1962.

	New Houses	Home Improvement
City of Ottawa	—	—
Nepean township	3	1
South Hull	1	—

UNEMPLOYED TAKING TECHNICAL AND VOCATIONAL TRAINING

Question No. 423—**Mr. Pitman:**

1. How many unemployed persons were taking training under schedule M to the agreements under the Technical and Vocational Training Assistance Act in Canada in each month during the year 1961?

2. How many unemployed were taking training thereunder in Ontario in each month during the year 1961?

Answer by: **Mr. Thrasher:**

Mr. Speaker, the answers to the two parts of this question, in tabulated form, are as follows:

1. Number of persons given training each month for the period January 1, 1961 to December 31, 1961

Month	No.
January	2,535
February	3,093
March	4,151
April	3,297
May	2,894
June	2,830
July	2,964
August	3,259
September	3,958
October	4,130
November	4,762
December	4,789

2. Number of persons given training in the province of Ontario for the period January 1, 1961 to December 31, 1961

Month	No.
January	140
February	269
March	420
April	531
May	661
June	888
July	1,269
August	1,287
September	1,524
October	1,491
November	1,650
December	1,558

These figures represent the total numbers receiving training during the month and not new enrolments for each month.

*N.H.A. LOANS, SUDBURY AND NICKEL BELT CONSTITUENCIES

Question No. 426—**Mr. Mitchell:**

1. How many National Housing Act approved loans and N.H.A. direct loans have been placed in the Sudbury and Nickel Belt constituencies since January 1, 1961?

2. What was the total amount of legal fees paid in connection with the above loans, and the names of the legal firms receiving these fees?

3. What amount was paid and remains to be paid to each of the above named firms?

Mr. Walker: Mr. Speaker, this is a long answer. I would ask leave of the house to have it printed in *Hansard* without being read.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The answer referred to above is as follows:*]

1.

N.H.A. loans approved in 1961

Constituency	Approved Lenders	C.M.H.C. Direct	Total
Sudbury	80	318	398
Nickel Belt	12	436	448
Total	92	754	846

2. Legal firms engaged for legal services in the constituencies of Sudbury and Nickel Belt by C.M.H.C. in 1961.

(The legal firms listed below were engaged for work relating to title search and preparation of mortgages covering direct loans made by Central Mortgage and Housing Corporation under the National Housing Act. The corporation follows the customary mortgage practice under which legal fees are paid by the borrower. The corporation has no record of the amount of these fees.)

Lawyer	Number of Loans
J. L. Chapman	32
J. N. Desmarias, Q.C.	79
Hugh A. Doig	76
E. C. Facer, Q.C.	76
George M. Miller, Q.C.	94
J. L. McNahon	79
Lloyd J. Valin, Q.C.	79
H. Waisberg, Q.C.	73
Gerald F. Kinsman, Q.C.	56
C. T. Fouriezos	53
G. S. Shay	9
V. H. Little, Q.C.	48
Total	754

(Note: As approved lenders select their own lawyers, Central Mortgage and Housing Corporation has no record of the law firms engaged or the fees paid relating to the N.H.A. loans made by approved lenders.)

3. Answered by part 2 above.

Order for Returns

QUESTIONS PASSED AS ORDERS FOR RETURNS

NORTHERN TRANSPORTATION COMPANY—FREIGHT MOVEMENT

Question No. 379—**Mr. Nielsen:**

1. What are the tons and ton miles of freight moved on equipment owned by Northern Transportation Company Ltd., and licensed by the Board of Transport Commissioners for Canada, during the years 1959, 1960, and 1961, tabulated as follows: (a) total from and to all points within the company system northbound (b) total from and to all points within the company system southbound (c) from Fort Smith, N.W.T., to all points within the Northwest Territories (d) from Hay River, N.W.T., to all points within the Northwest Territories (e) from Hay River, N.W.T., and Fort Smith, N.W.T., destined for distant early warning station sites (f) from Norman Wells N.W.T., destined for the distant early warning station sites (g) from Norman Wells to all other points within the Northwest Territories?

2. Of the total tonnage and ton miles moved within the Northwest Territories, what percentage of each of these totals was moved for (a) crown corporations (b) Canadian government departments (c) distant early warning station sites (d) consignees other than above?

3. What gross revenue was earned by N.T.C.L., in each year, 1959, 1960, and 1961, from the carriage of goods within the N.W.T., tabulated as follows: (a) goods carried for crown corporations (b) goods carried for Canadian government departments (c) goods carried to distant early warning station sites (d) goods carried for consignees other than (a), (b), or (c)?

4. Of the total tonnage provided for carriage by the Northern Transportation Company Ltd., what tonnage was allocated to Canadian (private enterprise) carriers, licensed by the Board of Transport Commissioners for Canada, by the N.T.C.L., for movement within the N.W.T., during the years 1959, 1960, and 1961?

5. What sources of revenue has Northern Transportation other than by the carriage of goods by water?

6. Other than transportation operations, what business activities are carried on by Northern Transportation Company Ltd.?

7. What is the yearly statement of income and expenditures, in tabulated form, in totals and in cents per ton mile, for the years, 1956, 1957, 1958, 1959, 1960, and 1961, of yearly (a) freight earnings (b) miscellaneous earnings, other than freight revenue (c) operating expenses (d) administrative expenses (e) depreciation (f) operating profit (g) income tax paid (h) net profit?

MEDICAL SERVICES, ETC., INDIAN RESERVES, B.C.

Question No. 406—**Mr. Matheson:**

1. What medical services are available to the Indians on (a) Halfway reserve (b) Blueberry reserve (c) Prophet river reserve (d) Doig river reserve?

2. What transportation facilities are available to and from the above reserves?

3. How often and for how long has the Indian agent at Fort St. John visited each of the above reserves during the year 1961?

VETERANS AFFAIRS DEPARTMENT LEGAL FEES, N.B. AND N.S.

Question No. 412—**Mr. Robichaud:**

What was the total amount of legal fees paid by the veterans affairs department from April 1,

1957, to March 31, 1962, in the provinces of New Brunswick and Nova Scotia and what were the names and addresses of the recipients of such fees, and the amount received in each case?

PUBLIC WORKS DEPARTMENT, LEGAL FEES, N.B. AND N.S.

Question No. 413—**Mr. Robichaud:**

What was the total amount of legal fees paid by the Department of Public Works from April 1, 1957, to March 31, 1962, in the provinces of New Brunswick and Nova Scotia, and what were the names and addresses of the recipients of such fees, and the amount received in each case?

NATIONAL DEFENCE DEPARTMENT, LEGAL FEES, N.B. AND N.S.

Question No. 414—**Mr. Robichaud:**

What was the total amount of legal fees paid by the Department of National Defence from April 1, 1957, to March 31, 1962, in the provinces of New Brunswick and Nova Scotia, and what were the names and addresses of the recipients of such fees, and the amount received in each case?

FISHERIES DEPARTMENT LEGAL FEES, N.B. AND N.S.

Question No. 415—**Mr. Robichaud:**

What was the total amount of legal fees paid by the Department of Fisheries from April 1, 1957, to March 31, 1962, in the provinces of New Brunswick and Nova Scotia, and what were the names and addresses of the recipients of such fees, and the amount received in each case?

TRANSPORT DEPARTMENT LEGAL FEES, N.B. AND N.S.

Question No. 416—**Mr. Robichaud:**

What was the total amount of legal fees paid by the Department of Transport from April 1, 1957, to March 31, 1962, in the provinces of New Brunswick and Nova Scotia, and what were the names and addresses of the recipients of such fees, and the amount received in each case?

NORTHERN AFFAIRS LEGAL FEES, N.B. AND N.S.

Question No. 417—**Mr. Robichaud:**

What was the total amount of legal fees paid by the Department of Northern Affairs and National Resources from April 1, 1957, to March 31, 1962, in the provinces of New Brunswick and Nova Scotia, and what were the names and addresses of the recipients of such fees, and the amount received in each case?

NATIONAL REVENUE DEPARTMENT LEGAL FEES, N.B. AND N.S.

Question No. 418—**Mr. Robichaud:**

What was the total amount of legal fees paid by the Department of National Revenue from April 1, 1957, to March 31, 1962, in the provinces of New Brunswick and Nova Scotia, and what were the names and addresses of the recipients of such fees, and the amount received in each case?

CANADIAN HOSPITAL STATISTICS

Question No. 431—**Mr. Macnaughton:**

1. What is the annual wage bill for all hospital employees in Canada (a) general hospitals (b) mental hospitals?

[Mr. Robichaud.]

2. What is the total number of employees working in hospitals in Canada (a) general hospitals (b) mental hospitals?

3. What is the number of employees per bed working in hospitals in Canada (a) general hospitals (b) mental hospitals?

4. What was the estimated amount being spent in 1959, 1960, and 1961, on the construction of hospitals (a) general hospitals (b) mental hospitals; and, how much of this was contributed by the federal government?

5. How does the average hourly rate for general employees in hospitals compare with the average hourly rate in the transportation industry, the primary and secondary industries?

6. What is the comparison of wages paid to (a) nurses (b) social workers (c) psychologists (d) nursing assistants (e) cleaners (f) kitchen staff, in federal hospitals as compared with community hospitals?

(Translation):

SHIPPING

ST. LAWRENCE RIVER—GOVERNMENT ACTION IN DISPUTE RESPECTING PILOTS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to put a question to the Minister of Transport (Mr. Balcer) or to his parliamentary secretary.

Since the minister stated in the house last Friday that he has asked his officials to bring together the pilots and the shipowners and since the pilots claim that neither the shipowners nor departmental officials got in touch with them, has the minister no comment to make in this respect and can he explain this situation?

(Text):

Mr. Q. A. Martini (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, I will take that question as notice.

(Translation):

Mr. Azellus Denis (St. Denis): Mr. Speaker, could the parliamentary secretary also take as notice the following question?

Why does the minister insist that the pilots go back to work before their grievances are settled since the Minister of Labour (Mr. Starr) did not lay down such conditions in other disputes such as, for example, the one involving C.N.R. employees?

(Text):

Mr. Speaker: Order.

(Translation):

Mr. Gabriel Roberge (Megantic): A supplementary question, Mr. Speaker. Perhaps the parliamentary secretary could also consider it as notice.

In what way is that strike illegal, as the minister claimed in his telegram of last April 6?

(Text):

Mr. Chevrier: Mr. Speaker, may I ask the Minister of Labour a question arising out of those which have just been asked. Can the minister tell us whether the strike that is now going on between the pilots and the shipping federation of Canada is a legal strike?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, before I answer that question I shall have to look closely at the three questions that were asked previously.

NATIONAL DEFENCE

POLITICAL ACTIVITIES OF MEMBERS OF MILITIA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker I wish to direct a question to the Minister of National Defence. I do so as a member of this house and as honorary president of the Kootenay Battalion association, a battalion in which many trade unionists and some socialists served Canada in world war I. I can hardly contain my indignation.

Have instructions been sent by the minister or army headquarters to militia units ordering that militiamen, temporarily called out with special militia training units, must resign from membership in the New Democratic party, and provide proof in writing to the officer commanding of their resignations, and abstain from all political activity on behalf of that party during their off duty hours?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I have not sent any instructions to militia units, or to any other destination, concerning membership in the New Democratic party or on any other subject pertaining to that group; nor has army headquarters sent any such instructions. I do not know the source of the information on which the hon. member bases his question, but it would seem to have some destructive intent as far as the armed services are concerned.

Mr. Winch: We have proof of it.

Mr. Harkness: The situation with regard to the armed services is quite well known. Members of the regular forces are forbidden by Queen's regulations to take part in political activity. That is definite and well understood. No such prohibition exists with respect to militiamen. However, neither officers nor men of the militia or regular forces are permitted to carry on political activities in government armouries or in other military enclaves.

Proposed Vancouver-Sea Island Tunnel

Mr. Herridge: A supplementary question, Mr. Speaker. May I say before I proceed that I resent the implication in the minister's answer.

Mr. Harkness: I resent the question.

Mr. Herridge: Does the minister know that the C.O., Lieutenant Colonel Reynolds, and Major Lee, officer commanding the 17th field squadron of the 8th field regiment R.C.E. (militia), demanded that a captain and two N.C.O.'s resign their membership in the New Democratic party and submit proof of their resignations to him in writing? Does the minister know that the captain in question, while proud to serve with this unit, severed an enjoyable association in protest against this infrigement of his civil rights and a Canadian citizen?

Mr. Harkness: Mr. Speaker, I know absolutely nothing about anything along that line.

Mr. Peters: You know nothing, period; just leave it there.

Mr. Harkness: I can only say that if such a request was made I should think it would have been made because political activity was being carried on in the armouries or in the unit contrary to regulations.

Mr. Herridge: A supplementary question. Does the minister know—

Some hon. Members: Order.

Mr. Speaker: Order. It being five o'clock the house will now proceed to the consideration of private members' business.

TRANSPORT

VANCOUVER-SEA ISLAND—SUGGESTED CONSTRUCTION OF BRIDGE OR TUNNEL

Mr. John Drysdale (Burnaby-Richmond) moved:

That, in the opinion of this house, the federal government should give consideration to the advisability of constructing a bridge or tunnel across the north arm of the Fraser river between the city of Vancouver and Sea island in the municipality of Richmond.

Mr. Pickersgill: Mr. Speaker, I wonder whether the house will give unanimous consent to allow the hon. member to move down where we can hear him.

Mr. Speaker: I hear no objection. I take it that the hon. member, if he wishes to take a more central seat, is at liberty to do so for this time only.

Mr. Drysdale: Mr. Speaker, again I should like to thank the house for its courtesy on this occasion in allowing me to move to the central part of the chamber in order to bring

before the house what I personally consider is a matter of urgent importance to the city of Vancouver and the entire greater Vancouver area. Notice of motion No. 19, which I have introduced today, reads as follows:

That, in the opinion of this house, the federal government should give consideration to the advisability of constructing a bridge or tunnel across the north arm of the Fraser river between the city of Vancouver and Sea island in the municipality of Richmond.

In presenting the background underlying the importance and necessity of this resolution I wish to draw to the attention of the house the population figures for the greater Vancouver area. The population of the greater Vancouver area for 1961 is estimated at 769,900 by the dominion bureau of statistics. The population of the whole of British Columbia is estimated at 1,631,000. The British Columbia research council predicts that by 1971 the population of the greater Vancouver area will be 1,076,200, and that the population of the entire province will be 2,316,900. It is pointed out by the industrial development commission of greater Vancouver that this area includes 309,257 acres of land and embraces ten municipalities. This indicates that this important area is Canada's third largest industrial area. I provide this background information in order to indicate the importance of the problem I am trying to raise.

Sea island which is in the municipality of Richmond within my riding is in the mouth of the Fraser river. The island is surrounded by the north arm of the Fraser river which functions as a barrier between the city of Vancouver and Sea island. The other part of Sea island is surrounded by Moray channel. Sea island itself contains some 4,050 acres and is noted primarily for the fact that it is Vancouver's international airport.

I should point out to hon. members that at the present time the Vancouver international airport is being acquired by the federal government. It is hoped that in the very near future we shall be able to see construction started on a terminal the cost of which would amount to perhaps more than $20 million. The majority of Sea island is owned by the Department of Transport. A fairly small portion is owned by the Department of National Defence. From talking to the town planners in Richmond I understand it is hoped eventually that the whole of Sea island—the whole 4,050 acres—will eventually become zoned for airport use. At the present time there are some 3,000 people living on Sea island.

The point I am trying to make with this resolution is the fact that at the present time there is no—and I emphasize the word "no"—direct access to the city of Vancouver from Sea island. The only access at present is a two lane swing span bridge over the Moray channel. This swing span bridge connects Sea island with Lulu island. From Lulu island it is necessary to go over the Oak street bridge which is a $9 million provincial government toll bridge. Previously there was direct access to Vancouver international airport through the old Marpole bridge which was also a swing span bridge. I think many of the people in the former government will remember the many times tugs and tows forced the opening of that bridge, with delays from 45 minutes up to an hour. However, eventually the Marpole bridge was removed by the provincial government.

There is in existence another bridge called Eburne bridge which connects Sea island and Lulu island. The Eburne bridge is a wooden structure which has come to be in a very dilapidated condition, with the result that there was forced closure of this bridge some time last March. Since that time in March 1961, the only communication between Sea island which is Vancouver's international airport and the lower mainland of Vancouver has been the swing span bridge of two lanes. Anybody knowing the idiosyncrasies of bridges will understand when I say that on several occasions this particular bridge has either closed and failed to open, an occurrence which has tied up the water traffic, or else the reverse procedure has taken place, namely it has opened and failed to close, something which has caused a great deal of difficulty.

It seems to me to be idiotic, to say the least—and that is a rather strong word—that this very important airport, one of Canada's most important, is completely dependant on this two lane swing span bridge. Perhaps to my friends who are not familiar with that area in Burnaby-Richmond I might say that they could get the same analogy if they consider what the situation would be if they had only one access road, for instance to Malton airport or to Dorval airport, and this particular access road were subject to closure without notice. I think it would be fairly easy to imagine the difficulties that situation would produce with respect to traffic tie ups. On a couple of recent occasions last year the bridge failed to close for a period of two or three hours and traffic has been backed right up over the Oak street bridge into Vancouver, a distance of from one and a half to two miles. It has also been backed up into the Richmond area, also another two miles.

I think this will indicate to the house the necessity, as I have indicated in the resolution, for the construction of either a bridge or tunnel. While I mention the alternatives of a bridge or tunnel, in my opinion

the only practical method of providing communication between the city of Vancouver and Sea island would be to establish a four lane tunnel, I would suggest that the most suitable location—and this suggestion has been made on previous occasions—would be a continuation of Granville street, which is one of the main arterial highways in the city of Vancouver, over to Sea island with the four lane tunnel. There have been varying estimates as to the cost of this tunnel. I think it has been suggested that possibly an amount of $10 million would be adequate for the tunnel. I would point out that this would mean an additional saving in the distance to the downtown Vancouver area. As a matter of fact, it would be some 2.6 miles less to Vancouver. If the distance was measured from the Oak street bridge, the distance saved would be a minimum of 1.3 miles. Hence from the distance point of view we have 1.3 and 2.6 miles. We would have the added benefit of continuous access rather than this haphazard basis we now have as, under the rules of navigation, the tugs and tows of course have the right to go through and it is the automobile traffic which is forced to wait. I myself had the experience of being over on the Sea island side of the bridge and having the bridge open while one little tugboat went through. It took about 15 minutes. Out of curiosity I counted approximately 60 cars that were tied up on each side. You can imagine the awkward situation that would have resulted if ambulance service had been required or if the necessity had arisen to get fire engines either over to the Sea island side, as they are based on the Lulu island side of Richmond, or if you had the alternative situation where the fire engines come over, as I believe they do once a week, and if the bridge stuck. If there was a fire back on the Lulu island side, it would be impossible to give adequate fire servicing.

I should like to point out to the house the passenger traffic at the Vancouver international airport has been progressively increasing. In 1950 there were some 397,000 passengers; in 1957, some 794,000; and in 1961, some 938,000.

Looking at the situation from the constitutional aspect, Mr. Speaker, I would point out that under the British North America Act of 1867, section 91(10), navigation and shipping are, of course, under the jurisdiction of the federal government. Under section 92(10), which deals with provincial rights, the following statement is made:

> 10. Local works and undertakings other than such as are of the following classes:—
>
> —(c) Such works as, although wholly situate within the province, are before or after their execution declared by the parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces.

For the assistance of the house I would point out that the water area surrounding Sea island comes within the jurisdiction of the north Fraser harbour commissioners, a board that was established in 1913. I should also be obliged to point out to the house, however, that in 1924 some six harbours within the Vancouver area were made public works. Unfortunately one of those harbours was not that of the north Fraser harbour commissioners. The result is that we have the provincial government as the owner of the foreshore and the bed of the river. However, in 1951 the provincial government granted a 21 year lease of the foreshore of the harbour with the result that we have the north Fraser harbour commissioners in effect acting as agents of the provincial government on a purely administrative basis.

While I am on the legal aspect I would also draw to the attention of the committee that under the Navigable Waters Protection Act I think there would be a requirement of federal approval for such a bridge or tunnel. I should like to point out to the house that although the Moray channel bridge, which I have spoken about previously, was constructed by the provincial government, there was a grant of some $400,000 to the provincial government in order to make it a toll free bridge.

At that time the city of Vancouver was the owner of the Vancouver international airport and one other necessity in considering this particular bridge was the provision of adequate access to federal government properties, namely those of the Department of Transport and those of the Department of National Defence. So we see, Mr. Speaker, that the federal government through the Department of Transport and the Department of National Defence owns nearly all of Sea island at the present time and this is a change in factors from what we had under the previous situation. The federal government will be building an airport terminal at a cost of $20 million and it is a very simple and obvious proposition that for such a gigantic undertaking one of the minimum requirements is the assurance of continued access.

In fairness I feel I should point out that it is my personal view that the provincial government has not assumed its responsibility under the present situation, because I will admit quite freely that I think that primarily the matter is the responsibility of the provincial government. However, under the circumstances I feel it is necessary for the federal government to take the leadership, and I suggest that it consider having an

engineering survey made now to study the construction of such a bridge or a tunnel, and that it communicate with the provincial government with a view to solving the very urgent problem of providing adequate access.

I have discussed this matter with many of the people in the lower mainland area. The simplicity of the problem has made it rather difficult to argue, but the important fact is that construction should be commencing very soon on the terminal. As I have indicated by reference to the tremendous increase in the population of the lower mainland and the volume of business being done at the Vancouver international airport, it is urgent now that the federal and provincial governments get together and assure that a bridge or tunnel will be constructed so that adequate access to the Vancouver international airport will be provided.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I am sure the house will be grateful to the hon. member who has introduced this resolution which concerns a problem of acute importance, I am sure, to those who live in the great metropolis of Vancouver. The resolution invites the federal government to give consideration to the advisability of constructing either a bridge or a tunnel across the north arm of the Fraser river between the city of Vancouver and Sea island in the municipality of Richmond, which municipality I take it forms part of the hon. member's constituency.

I have no hesitation in saying at once that we on this side of the house will support this resolution, but perhaps the hon. member will allow me to take the liberty of making one or two suggestions. It seems to me that when members of this house are considering the very vital problems of transportation in our country today we should at once be willing to give consideration at least, if not action, to any measure that is desirable from the point of view of improving traffic conditions in a metropolitan area such as Vancouver.

The other thing I should like to say is this. The resolution speaks only of consideration, and toward the end of the hon. member's remarks he said something about an engineering survey. However I should like to make this suggestion. I think that an engineering survey is not enough because, if I understand what he has in mind, an engineering survey is normally made by the engineers of the Department of Public Works. My memory of a number of engineering surveys made either by the Department of Public Works alone or jointly with the Department of Transport leads me to say that it takes quite a long time before there is any result. If there is going to be any action in connection with a resolution such as this one, it would strike me that a committee or commission of engineers independent of either of the two departments should be established.

We have, for instance, the question of the Richelieu waterway. First, the Department of Transport gave that matter consideration and then the Department of Public Works gave it consideration, as well as a committee of officials of the two departments. After two years had gone by the matter was finally submitted jointly by the two governments to the international joint commission. I make these observations because a great deal of time was lost in that regard.

That is why it would strike me that a committee of engineers or perhaps a committee comprised of an economist and two engineers might study the desirability of (a) building a bridge, (b) building a tunnel as well as (c) the question of cost and (d) the location and any other matters that the government would want to submit to such a body. I only make these suggestions in an attempt to be helpful because I have found that a great deal of time has been lost in making many of these surveys in the past.

The hon. member referred to the constitutional problem. While I have not given it any study, offhand I believe it is one that might perhaps come within the sections to which he has referred. If not, the Navigable Waters Protection Act is a statute that might be called into play in a project of this nature. As the hon. member knows, that statute comes partly under the jurisdiction of the Department of Transport and partly under the Department of Public Works, but for the purposes that the hon. member has in mind it seems to me that the matter is one which would fall under the jurisdiction of the Department of Public Works.

In order not to delay the resolution and also to give others an opportunity to speak, I will sum up my remarks by saying that, first, the opposition is favourable to any project of a transportation nature such as this which will improve traffic conditions in any great metropolitan area such as Vancouver and, second, in order to bring the matter to a head quickly it strikes me that not only should consideration be given as requested in the resolution but action should be taken upon the resolution by the appointment of a board of engineers to study the various aspects of what we think is a laudable project.

Mr. E. J. Broome (Vancouver South): I have a good deal of pleasure, Mr. Speaker, in supporting the motion introduced to the house today by the hon. member for Burnaby-Richmond (Mr. Drysdale). It states:

That, in the opinion of this house, the federal government should give consideration to the advisability of constructing a bridge or tunnel

across the north arm of the Fraser river between the city of Vancouver and Sea island in the municipality of Richmond.

As the hon. member has pointed out, at the moment access to Sea island is by means of the Oak street bridge, a new bridge constructed by the provincial government. This replaces the old Marpole bridge. Then, in order to cross the Moray channel there is a two lane swing span before you enter Sea island proper. It is this particular span that has proven to be the bottleneck. In any consideration of the over-all planning for the Vancouver airport, which has recently been turned over by the city of Vancouver to the federal government and where the Department of Transport is planning new passenger facilities, the question of access to this airport is of the utmost importance. It is not only access to the airport which must be considered, but it is access to a major national defence air force establishment. This access, of course, is limited by the fact that you simply have the Oak street bridge and the Moray channel bridge.

The resolution refers to a bridge or tunnel. There has been a rather sketchy engineering survey made which indicates that a tunnel would be superior to a bridge. In so far as a bridge is concerned, of course you either have to have a low span bridge, in which case you get interference with the traffic on the north arm of the Fraser river, or you have a high level crossing over the north arm and which would be located somewhat westerly of the present Oak street bridge, and this might interfere with zoning regulations and flightway plans. On the other hand, the tunnel would have the advantage that it would not interfere with other river development considerations and it would not infringe upon the necessary restrictions of air traffic control. It would provide direct and immediate access for emergency defence purposes, independent of other traffic facilities in the area. A tunnel would be less vulnerable than a ground traffic structure in the event of hostilities.

The hon. member has mentioned the growth in the population of Vancouver. The growth in his own area of Richmond has been equally startling from a percentage point of view. For instance, from approximately 20,000 in 1954 the population of Richmond has risen to 42,000 in 1962 and it is expected to be 80,000 by 1969.

I know that members of this house are apt to view with scepticism the claims made by members coming from the west coast. They think that we have a pretty good province but we are inclined to gild the lily by claiming advantages beyond those about which we can brag. The fact is that we have the fastest growing area in Canada. We have an economy based upon natural resource development and our natural resources have only just been touched. These figures do seem to be unrealistic when compared with the rather lethargic growth in the east, but they can be considered to be very conservative estimates when you consider what the growth on the Pacific coast will be.

It is quite true that the problem of access to the airport is a matter for the provincial government. At the same time, however, the federal government has its responsibility. The federal government will be spending something in the neighbourhood of $12 million on airport facilities. As the hon. member has pointed out, although the number of flights from the airport are decreasing the number of passengers is increasing. I believe the figures he gave indicated that almost one million passengers passed through the Vancouver international airport last year. These figures will continue to grow, and they will grow very fast. The problem of moving these passengers to and from the airport is going to be a matter which must be considered by the Department of Transport, and the people who are associated with the department on the west coast in developing the facilities there.

I have great pleasure therefore, Mr. Speaker, in seconding this motion and urging the house to give support to it. The question of a location of the tunnel, whether it is at the foot of Granville street or whether it is at the foot of Hudson street is something for properly qualified technical people to decide. It would necessarily be somewhere in that area and would have the additional advantage of rejuvenating a section of the city which was cut off from the flow of traffic when the old Marpole bridge was abandoned and the new Oak street bridge constructed. It will only be justice if the development of a tunnel, such as is envisaged by this resolution, results in the Marpole business area regaining some of its former prosperity.

Mr. J. F. Browne (Vancouver-Kingsway): It gives me a great deal of pleasure to have the opportunity to support this motion introduced by the hon. member for Burnaby-Richmond (Mr. Drysdale). The crossing proposed in this resolution would join the city of Vancouver with Sea island, and is certainly something that should command the attention of the federal government because of the huge investment they now have at Sea island as a result of the acquisition of the Vancouver international airport and the defence installations. For these reasons, it is of the utmost importance that we have access to the island.

There is no direct access, of course, at the present time from the city of Vancouver to

Sea island. One of my main concerns in relation to this matter is the generally recognized fact that with the growth of traffic there a new crossing is going to have to be built by someone. I think it is true that the initiative should have come from the provincial government. Unfortunately, it has not come from that quarter so I think the matter has been properly raised by the hon. member for Burnaby-Richmond. At the time the Oak street bridge was constructed, the city of Vancouver felt it was very badly discriminated against in the matter of sharing the cost of the approaches to the bridge. This view was expressed by the city council at that time, and they protested very strenuously to the provincial government. Representing as I do the people of Vancouver-Kingsway who will be concerned with any costs arising from a project of this nature, I want to make sure that they get a better deal than they did on the last occasion a crossing was built. I believe there have already been some studies made regarding the possibility of a crossing by C.B.A. Engineers Limited. I do not know how detailed the studies were, but I believe they concern a crossing at the foot of Granville street where we formerly had a bridge which is no longer in use. I might remark that with the growth of traffic now developing we should not be doing away with bridges already in existence.

The federal government should take this matter up at once because it is quite evident that the provincial government is not going to go ahead, as it should. As I said, along with other members taking part in this debate, while in the normal course of events it may not have been a direct responsibility of the federal government, the fact is now that the federal government is in possession of the larger part of Sea island, has huge defence establishments and this, along with the importance of Vancouver international airport, indicates it should give immediate attention to the question and see what can be done about it.

Mr. J. R. Taylor (Vancouver-Burrard): I should like to commend the hon. member for Burnaby-Richmond (Mr. Drysdale) for introducing this most worth-while resolution. It is one which I feel all hon. members from the province of British Columbia should support, and its sponsor has again indicated most progressive thinking in regard to a very worthy public project. He has made it very clear that we have no direct access between the city of Vancouver and Sea island, and that we must have direct access in order to cope with the great amount of traffic now prevalent and which is expected to increase.

[Mr. Browne (Vancouver-Kingsway).]

The hon. member has pointed out that he does not want any bottleneck between the city of Vancouver and his own progressive constituency. He has long been an advocate of a more modern and up to date international terminal and has played a large part in the planning of what we all feel will be the most modern international airport in this country, if not on this continent. As he pointed out, we are about to spend $20 million, and before the terminal is completed we may have to spend $30 million. At the present time there is a substantial investment there in airplanes and airport works, and it does seem foolish to have this very large capital investment and at the same time have no direct access to the place where it is located.

All of us who make periodic visits to the terminal have to consider whether the bridge referred to by the hon. member will be open or not. If it is not, then there is a considerable waste of time. Leaving aside the matter as to who should pay for the tunnel or bridge, and I for one feel a tunnel would be more appropriate, the main consideration we must have is that of getting access to the area. Again leaving aside the matter of who should pay for the tunnel or bridge, I believe it would be most wise for the federal government to give consideration to the project, as suggested by the resolution.

I also hope that the co-operation of public officials in the municipality of Richmond and the city of Vancouver, together with that of the appropriate minister in Victoria, will be sought and secured.

It is common knowledge that the present day trend is towards rapid transportation. By air it is only four hours from Vancouver to Toronto, and an hour from Vancouver to Calgary. As a sidelight I may relate that on a recent trip from Vancouver to Toronto, the stewardess asked a passenger at Vancouver if she could help him off with his overcoat and he said: "No thanks, I am getting off at Winnipeg." That is an indication of how fast we now move between some of the major centres in this country.

The trend is toward speed, and at Vancouver airport we are giving consideration to the provision of larger customs facilities. We are also considering the American system of handling customs and immigration. It is a system I have advocated in this house and elsewhere. Airport passengers travelling north should be cleared through Canadian customs and immigration at Seattle. The Americans have co-operated by establishing appropriate customs and immigration stations in Vancouver for passengers travelling south. This system saves time.

In order to cope with the problem of transportation between the city of Vancouver and the airport we are considering transporting passengers by helicopter. Some people are also advocating the establishment of a monorail service between the air terminal and downtown Vancouver, but I feel that if we can be assured of having a tunnel or bridge constructed we shall have less need for a helicopter or monorail service.

It is foolish to increase speed and efficiency in the air only to meet with delays getting to and from the air terminals. In fact it is a common expression, that "if you have time to spare travel by air". Another version of it put out by the C.N.R. and C.P.R. is that if you "travel by train you avoid the strain". People who want to use air transportation in the Vancouver area ought to be able to avoid the strain by having proper access to the air terminal. At the present time there is need for a further access road and in the near future that need will be much greater.

I have referred to a helicopter site in the city of Vancouver, and I have a letter here which the Minister of Transport wrote to me about the matter. In his letter the minister said that, as regards the location of a heliport, his department considers it would be advisable if the site were removed from built up or congested areas, and if possible it were placed immediately adjacent to water courses where approaches and departures may be safely made without the necessity of flying over built up areas. In this connection we have given consideration to access routes by water into the False creek area.

At the present time the construction of the Chignecto canal is being advocated in the maritimes at a cost of $90 million, but what the hon. member proposes in order to link up his area with the city of Vancouver will be much less expensive, and it must be borne in mind that it will serve a greater population. Late in 1959 an editorial appeared in the Vancouver *Sun* which urged the city officials to promote Vancouver's status as a world travel centre by supporting the construction of a waterfront access road, and this administration has done that.

The article also emphasized the need for expanded port facilities, including small aircraft accommodation. The present administration has done that also. The editorial also pointed out the need to improve other access routes, and the airport was mentioned. I also noticed that in the Vancouver *Province* there was a similar editorial which advocated opening up the waterfront and our access routes to the international airport. Therefore it is with pleasure that I join my colleague the hon. member for Burnaby-Richmond (Mr. Drysdale) in advocating careful consideration by the federal government of this most important matter.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, although I am a representative of a Vancouver constituency I deliberately held back from speaking on this motion until I had heard what other hon. members had to say as to the reason for placing such particular importance on this one proposition which is before the house, namely the building of a bridge or tunnel to act as an access road between the city of Vancouver and Sea island. As a resident in and a representative of Vancouver, I naturally support anything that is going to be of assistance in solving our transportation problem in that city and its environs. We are without doubt in a very peculiar and particular situation in the metropolitan area of Vancouver, the third largest city in Canada. As far as the airport is concerned, from my home I can get to the airport without paying a toll because I go over the Frasel river bridge, which is toll free.

Mr. Drysdale: It is not open.

Mr. Winch: In all the years I have been travelling between the airport and my home I have never yet been held up on the Fraser river bridge.

Mr. Drysdale: You are lucky.

Mr. Winch: Moreover, since the opening of the bridge we have been hearing so much about, this two lane, swing span bridge over the Moray channel, I have never yet been held up on that bridge and this is the first time I have heard of anybody being held up on it. This may be just a peculiar circumstance, but that has been my experience.

Mr. Drysdale: Mr. Speaker, I wonder if I could direct a question to the hon. member?

Mr. Winch: Just a moment. Apart from the Fraser river bridge there is no other way of getting to the airport from Vancouver except by going over the Oak street toll bridge owned by the provincial government and then going over the two lane, swing bridge of the Moray channel, which is not a toll bridge because the federal government made a contribution of 50 per cent of its cost.

Mr. Drysdale: Four hundred thousand dollars.

Mr. Winch: Therefore it had to be a toll free bridge. Mr. Speaker, I was most interested, as I have said, to hear some of the facts and factors mentioned by previous speakers with regard to just what is the purpose of this new bridge or tunnel. I gather from the remarks of the hon. member who moved this motion that he anticipates the

time will come in the not too distant future when Sea island will be almost completely of an airport nature, either a civil international airport, which it is today, or tied in with the R.C.A.F. Some 3,000 people reside there at the present time, as I believe the hon. member said. That number will undoubtedly not increase; perhaps it will decrease. Therefore on the basis of the hon. member's presentation we now have before us for consideration an access road from the city of Vancouver to what is going to be wholly or solely an airport area.

I certainly agree with and support the idea of a tunnel which I believe will cut off a distance of almost two miles and thus reduce travelling time if you go over the Oak street bridge and the Moray channel, or about three and a half miles if you go over the Fraser river bridge and then over the Moray channel bridge. But if the intention behind this resolution is to provide airport access, I cannot see the necessity for a four lane tunnel. For that purpose I think two lanes would be sufficient under all circumstances, unless of course the idea is that there would not only be access from the city of Vancouver with its hundreds of thousands of people, but also access over the Moray channel bridge into Lulu island, through Lulu island and via Deas island tunnel into Ladner and then to the international border. If that is the idea, then most certainly it should be a four lane tunnel.

But that brings in the fact that we have this new Oak street bridge, which is a four lane bridge and feeds not only the airport but Lulu island, Ladner and south through to the international border, where they will be completing, I think this year, perhaps one of the most modern highways in Canada.

I am from Vancouver and I will support anything that is in the interests of Vancouver; but I believe this matter is of such importance that it just cannot be discussed or concluded on the basis of one bridge, one tunnel or one purpose, excellent as that may be. I believe that when we are asking for this amount of federal money to be spent, it should be on the over-all picture of Vancouver, Burnaby, New Westminster, the Fraser valley, Richmond, Lulu island, Sea island, the airport, freeways and highways. My hon. friend's estimate, which I think is low, is $11 million to serve an airport where we are going to build a $22 million air service station.

I believe that the interests of the hon. member's constituency, the constituency of my hon. friend on my right from Burnaby-Coquitlam and all hon. members from Vancouver, New Westminster and the Fraser valley, would best be served—although I believe this to be an excellent idea in principle

—by tying this scheme in with federal assistance in connection with an over-all transportation plan for metropolitan Vancouver, and the first money to be spent should be where the engineers say it is going to do the most good.

Mr. W. A. McLennan (New Westminster): Mr. Speaker, in rising to support this resolution I want to congratulate the hon. member from Burnaby-Richmond for bringing it forward. I think that with such an important international airport as we have on Sea island it is rather incredible that we have only one access to it, and actually not a direct one at that.

We have seen many cases of swing spans such as that which crosses over the Moray channel from Lulu island to Sea island getting stuck, being hit by a barge or developing some mechanical failure, and if that should happen it could take several hours to repair.

I support wholeheartedly the resolution my hon. friend has introduced. I am not going to speak on it at great length and go over the details which have already been given to this house, but I can assure the hon. member that it is a credit to him to bring in a resolution of this kind, and it has my wholehearted support.

Mr. M. D. Morton (Davenport): Mr. Speaker, it is with some trepidation that I as a member from the central or eastern part of Canada, however it may be designated, rise to become involved in a friendly discussion among hon. members from Vancouver island. I employ as a precedent the intervention of the hon. member for Laurier who pointed out that the principle involved concerns other than merely hon. members from Vancouver city.

It will be recalled that last year a request was made on behalf of the city of Toronto for assistance in constructing the Toronto subway. I believe the federal government was also approached by the city of Montreal concerning assistance for the proposed subway in that municipality. These requests would come under what the hon. member for Laurier designated as assistance for the construction of transportation facilities across Canada.

Although I do not know the details of the problem that was so ably presented here this afternoon, the discussion of this notice of motion raises a burning question that is facing all municipalities. This question comes about by the rapid growth of our municipalities and the problem they face because of the huge capital expenditures created by the need of transportation facilities, sewage facilities and other construction requirements to provide the amenities we wish to enjoy. The questions raised are: How can this construction be financed within the limited budgets of the

municipalities or, perhaps, the provinces? How can they obtain money for the development of these projects at reasonable rates of interest?

Interest rates have been increasing. It is increasingly expensive for municipalities to obtain money in the market. A consideration of this subject involves consideration of the problem of making loans available to municipalities with the consent of the provinces.

A step in this direction was taken by the present government in making loans available to municipalities for the construction of sewage facilities. These loans are available under the National Housing Act as an extension of the national housing program. The problem might be approached on the basis that municipalities having certain transportation problems could obtain loans under this or some other measure. That would be one method of solving the problem. Under such a program the municipalities of Toronto and Montreal would qualify for assistance in the construction of their subways.

It is important in considering this matter to establish a principle so that we do not deal with one project at a time. If each project were examined individually the federal government would tend to say it is a local problem that should be dealt with by the municipality or the province concerned.

Our national development is somewhat hampered in the over-all picture when our municipalities face these huge expenditures. As some have said, perhaps the time has come for the establishment of a financial institution somewhat similar to the Bank of Canada through which the municipalities, with the consent of the provinces, could obtain loans for the construction of projects of the nature to which reference is made in this motion. There could be established a municipal loan bank for the whole of Canada or it could be handled on a provincial basis. The details would have to be worked out. Certainly valid arguments could be made for both proposals.

Those who adhere to the doctrine that constitutionally the provinces should control the municipalities prefer that an institution of this type be established on a provincial basis. The argument is also raised that not all the provinces are equally endowed with wealth and resources and they would have difficulty providing services to some municipalities whose needs are relatively as great as those of metropolitan areas such as Toronto, Montreal and Vancouver. As our municipalities develop they require the same type of financial assistance.

Although I do not think the house could approve of an individual project, as such, the notice of motion before us today points up to the federal and provincial governments the need of reassessing the problems of our municipalities in attempting to finance large projects of this nature. It is necessary that this problem be considered to assist in the development of important projects the financing of which represents a heavy burden to municipalities all across the country.

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, I believe that the hon. member for Davenport has touched upon a crucial question raised in this notice of motion, which in itself is laudable. The hon. member who sponsors this resolution has clearly demonstrated the value of a bridge or tunnel to meet a transportation problem in the city of Vancouver. On examination it becomes clear that in the resolution the people of Canada are asked to assist financially in the construction of a transportation facility that would be of purely local benefit, and I would think—

Mr. Speaker: Order. I am sorry to interrupt the hon. member but I am obliged to advise him that his time has expired. I do not wish to interrupt the hon. gentleman in the middle of a breath, but it being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Speaker: The house will resume the business which was interrupted at five o'clock.

Mr. Chevrier: Where are the ministers?

Mr. Martin (Essex East): The ministers are not here yet.

BUSINESS OF THE HOUSE

REQUEST FOR AN ANNOUNCEMENT OF PROCEDURE AFTER PRESENTATION OF BUDGET

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, it is not easy to ask questions of ministers who are not here. While some of them are arriving perhaps I might ask the Prime Minister or the house leader whether he could give, if not at this moment, then when the house adjourns tonight, an assurance with regard to the business of the house during this week after the budget speech tomorrow night. Shall we be proceeding with the budget debate on Wednesday or, if not, shall we be dealing with some other business? If so, can the Prime Minister indicate what it might be?

Inquiries of the Ministry

Right Hon. J. G. Diefenbaker (Prime Minister): When the house leader comes the house will be made aware of what the business will be on Wednesday.

[*Later:*]

Mr. Pearson: Mr. Speaker, now that the house leader is in his place I wonder whether the Prime Minister would permit him to answer the question I asked the Prime Minister a few minutes ago and which he said would be answered when the house leader arrived?

Mr. Speaker: Order. I think perhaps it would be preferable to follow the usual course and deal with the business of the house at the conclusion of the sitting. If the house leader wishes to outline it now I have no objection but it is more customary to disclose the order of government business at the conclusion of the day's sitting.

INQUIRY AS TO LEGISLATIVE PROGRAM BEFORE EASTER RECESS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question either to the Prime Minister or the house leader? I should like to ask either one of them what the business of the house will be on Wednesday of this week?

Hon. Gordon Churchill (Minister of Veterans Affairs): That question will be answered as usual at the conclusion of the business today.

Mr. Chevrier: A supplementary question, Mr. Speaker. It has been the practice from time to time prior to the Easter recess to ask the following question and I ask it now of the Prime Minister. Can the Prime Minister, either now or tomorrow if he wishes, give the house some indication of what the business is likely to be and what legislation is likely to come up between now and the Easter recess?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think a perusal of the order paper will give a pretty good answer to the hon. gentleman. There may be some additional matters. Naturally matters arise that must be brought before the house, but the order paper has sufficient on it to use up the time of the house.

Hon. Paul Martin (Essex East): Mr. Speaker, the acting leader of the house on the government side was not in the house when the Prime Minister replied to the question of the Leader of the Opposition. The Leader of the Opposition asked the Prime Minister about the order of the business on Wednesday.

[Mr. Pearson.]

Mr. Speaker: Order.

Mr. Martin (Essex East): Mr. Speaker—

Some hon. Members: Sit down.

Mr. Speaker: Order. I think the hon. member would be well advised to bring the matter of Wednesday's business, if that is what he is inquiring into, before the house at the end of today's sitting.

Mr. Martin (Essex East): With great respect, I prefer to deal with it now on orders of the day. The procedure of the house at this time of the session is that this kind of matter is usually discussed between the Prime Minister and the Leader of the Opposition—

Mr. Hees: Stop trying to take the place of the Leader of the Opposition.

Mr. Martin (Essex East): —on the orders of the day. I have a right to ask the question.

Mr. Speaker: Order. Perhaps I anticipated the wrong question. A question was asked of the Prime Minister who answered it and if the hon. member's question is supplementary to that it will be in order to ask it.

Mr. Hees: Don't try to take the place of the Leader of the Opposition.

Mr. Speaker: In any event, I shall be glad to hear what the hon. member's question is, but I take the opportunity to caution him that if it relates to tomorrow's business he should ask it later today.

Mr. Martin (Essex East): May I ask the leader of the house, in view of the statement by the Prime Minister to the Leader of the Opposition as to the business of the house on Wednesday—

Mr. Hees: Let the Leader of the Opposition speak for himself.

Mr. Martin (Essex East): —is he in a position to indicate to the house what the procedure will be tomorrow night after the Minister of Finance has given his budget, and what will be the order of business for Wednesday?

Mr. Churchill: At the appropriate time I will do that.

Mr. Martin (Essex East): Just the opposite of what the Prime Minister said; the Prime Minister has lost his authority.

DIVORCE BILLS—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to ask the Minister of Veterans Affairs a question in his capacity as house leader. As

to the announcement earlier today made by the hon. member for Halifax (Mr. McCleave), the chairman of the miscellaneous private bills committee, to the effect that divorce bills will be placed on the order paper as of tomorrow for proceeding thereon, does this indicate that the government has no intention of meeting its commitment made to the house last session about parliamentary procedure on this matter?

Hon. Gordon Churchill (Minister of Veterans Affairs): I will examine in *Hansard* the hon. member's lengthy question and ascertain whether it requires an answer tomorrow.

SHIPPING

ST. LAWRENCE RIVER—GOVERNMENT ACTION IN DISPUTE RESPECTING PILOTS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I see the Minister of Labour is in his seat. I wonder whether, in the time that has expired since this afternoon, the minister has had an opportunity of looking at the questions that were put to him as to whether or not the strike between the pilots and the shipping federation of Canada was a legal one?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I have not had the opportunity of having *Hansard*, or whatever you call it, at my disposal with respect to these questions.

Mr. Chevrier: Then may I ask a supplementary question arising out of this same matter. Does the minister think that an appropriate thing to do in connection with a dispute of this nature, to tell the pilots that before their grievances can be considered they must go back to work? Is that the policy which the Minister of Labour follows in other disputes such as for instance—

Mr. Speaker: Order. The hon. member's comment is not in order.

Mr. Chevrier: Mr. Speaker, the Minister of Public Works said, "Don't answer that; to hell with him". That is a very nice method and manner of interrupting a question and passing remarks when those of us who sit on this side of the house ask questions and have a perfect right to do so.

Mr. Walker: Mr. Speaker, the hon. member for Laurier, for whose opinion I have no regard in any event, has no business putting words into my mouth.

Mr. Chevrier: That is what you said.

Mr. Walker: You are wrong.

Mr. Chevrier: I rise on a question of privilege.

Some hon. Members: Sit down.

Mr. Speaker: The hon. member for Laurier has taken exception to a remark which he alleges was made and which I did not personally hear. Is his question of privilege relating to that matter?

Mr. Chevrier: Yes, Mr. Speaker. My question of privilege is this. While I was putting the question to the Minister of Labour I heard the Minister of Public Works make the following remark and I make this statement on my responsibility as a member of parliament. The statement was, "Don't answer that question; let him go to hell".

Mr. Walker: That is completely wrong.

Mr. Pearson: What did you say?

Mr. Walker: It is none of your business what I said.

Mr. Speaker: Order. The hon. member for Laurier has made an assertion which has been denied by the minister.

Mr. Chevrier: The minister did not deny it.

Mr. Speaker: Order. The hon. member is obliged to accept the statement of the minister involved whose knowledge would encompass what he had said.

Mr. Starr: In reply, may I say that this question asked just now is no different from the other one. I shall be obliged to look at the notes.

Mr. Pickersgill: May I ask the Minister of Labour whether he saw in the report that his colleague the Minister of Transport had informed the pilots that this was an illegal strike? Does the minister not know what his colleague knows?

Mr. Starr: That was a really smart question.

Mr. Pickersgill: It is a very smart government.

UNEMPLOYMENT INSURANCE

CAPE BRETON, N.S.—REQUEST FOR EXTENSION OF BENEFITS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr Speaker, I wish to address a question to the Minister of Labour. Has the Minister of Labour received a letter dated April 5 from Mr. Malcolm MacInnis, secretary of the industrial Cape Breton committee on unemployment, pointing out all the efforts being made on the local level to solve this problem or at least ameliorate the conditions and asking that unemployment insurance benefits be extended and, if so, could the minister inform the house of the nature of his reply?

Inquiries of the Ministry

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I received a letter on Friday from a gentleman by the name of Malcolm MacInnis who since Saturday last is a candidate for the New Democratic party. We have not yet replied to his letter.

(Translation):

CANADIAN BROADCASTING CORPORATION

PAYMENTS TO PAUL LACOSTE AND NORMAN HUDON

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to address a question to the parliamentary secretary to the Minister of National Revenue.

Could he give the house the fantastic amounts paid by the C.B.C. to Messrs. Paul Lacoste and Norman Hudon, one of whom is recognized as anticonfessional and the other is a Liberal fanatic?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, everyone knows that, as a matter of policy, the Canadian Broadcasting Corporation does not give any information about fees, contracts or amounts paid to the performers or employees who work for it.

(Text):

HOUSE OF COMMONS

INQUIRY CONCERNING STATUS OF CONSTITUENCY OF KAMLOOPS

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, I had a question for the Minister of Justice but, in his absence, perhaps the Prime Minister can answer it. Would the Prime Minister care to comment on a headline contained in a well known Conservative newspaper to the effect that Kamloops is now considered to be a Liberal riding?

Mr. Speaker: The hon. member's question does not relate to the official responsibility of the Prime Minister.

TRADE

URANIUM—INQUIRY AS TO NEGOTIATIONS WITH UNITED KINGDOM

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I wonder whether the Minister of Trade and Commerce could perhaps now confirm the statement made by the parliamentary secretary some weeks ago to the effect that the uranium contract with the United Kingdom would be signed during the month of April?

[Mr. Herridge.]

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I think the statement he made was that he hoped the uranium contract will be signed before the end of April. That is a statement I made in the house when I was asked next day what my comments on the situation were.

EUROPEAN COMMON MARKET—VISIT OF PRESIDENT OF COMMUNITY

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Minister of Trade and Commerce whether Professor Hallstein, who is, I believe, president of the council of the European economic community and who is now in Washington discussing relations between the United States and the community, will be visiting Ottawa during the course of his visit to North America?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I am not sure whether he will but if he does I am very happy to be able to assure the house that I will be very glad to see him if he would like to see me.

Some hon. Members: Oh, oh.

Hon. Paul Martin (Essex East): A supplementary question, Mr. Speaker. Can the Minister of Finance say if it is a fact that he has indicated to Professor Hallstein that there would be no good purpose in the latter coming to Canada at this time?

Hon. Donald M. Fleming (Minister of Finance): No, Mr. Speaker. The guess and conjecture of the hon. member for Essex East are as wild as usual.

Mr. Martin (Essex East): A supplementary question. In view of the fact that Professor Hallstein is discussing matters having to do with the relationship between the United States and the European economic community, does the minister not think that the government of Canada should take the step of inviting Professor Hallstein to come here and discuss matters that are now being discussed with the President of the United States, who is giving some leadership in this matter?

Mr. Fleming (Eglinton): Mr. Speaker, Professor Hallstein has visited Ottawa before—

Mr. Martin (Essex East): Years ago.

Mr. Fleming (Eglinton): Not many years ago.

Mr. Martin (Essex East): Two years ago.

Mr. Fleming (Eglinton): About a year and a half or two years ago, and there have been other meetings with Professor Hallstein. I have seen Professor Hallstein at various meetings in Paris since that time. The hon. member does not need to think that there are not meetings going on from time to time. Things can happen without his knowledge. We find a great many things happening without his knowledge.

Mr. Hees: And most things do. He is in a complete fog most of the time.

Mr. Chevrier: Who, the Minister of Finance?

Mr. Hees: No, the member for Essex East.

Mr. Pearson: A supplementary question. Is it a fact that Professor Hallstein can come to Ottawa if he invites himself?

Mr. Speaker: Order. The question is perhaps hypothetical.

Mr. Fleming (Eglinton): Mr. Speaker, this question is just about on a par so far as responsibility is concerned with the question just asked by the hon. member for Essex East. Professor Hallstein will, of course, always be welcome in Ottawa any time he wishes to come.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, if the minister's esprit d'escalier is completed perhaps I could ask him if it is true that the British government has intimated to the government of Canada that if they are not successful in joining the common market they intend to renew the free trade offer to Canada?

Mr. Fleming (Eglinton): No, sir. Another wild conjecture.

[*And the Clerk Assistant having called the first order of business*]

Mr. Pickersgill: Mr. Speaker, the Clerk Assistant seems very enthusiastic this evening. I should like to ask—

Mr. Fleming (Eglinton): He wants to get on with the business.

Mr. Pickersgill: Well, perhaps the Prime Minister, to use his own words, would allow us a few minutes to ask questions.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. It is not necessary for the hon. member to comment. If he will put his question, I am sure the house will hear him.

Inquiries of the Ministry

SPORTS

GUELPH, ONT.—ESTABLISHMENT OF NATIONAL TRAINING COLLEGE

On the orders of the day:

Mr. A. D. Hales (Wellington South): I wish to direct to the Minister of National Health and Welfare a question arising out of comments he made this afternoon concerning the funds to be spent in connection with the act to promote fitness and amateur sports. Has any arrangement been made to establish a national training college or a centre for coaches at Guelph?

Hon. J. W. Monteith (Minister of National Health and Welfare): In answer to that question, Mr. Speaker, I think all I can say at the moment is that the matter is certainly under consideration. When a decision is reached, of course, an announcement will be made.

BUSINESS OF THE HOUSE

COLUMBIA RIVER—REQUEST FOR CONSIDERATION BY COMMITTEE

On the orders of the day:

Hon. Paul Martin (Essex East): I wish to direct a question to the Secretary of State for External Affairs. In view of the serious charges made against the conduct of this government by General McNaughton, one who has dedicated himself to the public service of our country and who was appointed by a Conservative government—

Some hon. Members: Question.

Mr. Martin (Essex East): —may I ask the Secretary of State for External Affairs whether, in view of the fact that he is in charge of this matter, as he himself said today, he would agree to have the external affairs committee set up forthwith under our procedure so that General McNaughton could make the charges, as he has requested, before that committee, and give the House of Commons an opportunity of examining into the nature and the validity of those charges.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister has already given the assurance that before the treaty is ratified it will be referred to the standing committee on external affairs, and at that time I would hope that General McNaughton could be called and give whatever evidence he wishes.

Mr. Martin (Essex East): Does the hon. gentleman expect that would take place before the dissolution of parliament?

Mr. Green: The hon. member for Essex East can make as good a guess about that as I can.

Mr. Martin (Essex East): The government does not want this matter to be exposed.

INQUIRIES FOR RETURNS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, the question I was going to put was a question to the Secretary of State. I was going to ask the Secretary of State if he would be good enough to furnish the house with a list of those orders for returns to which returns have not yet been made. In particular, would the minister do his utmost to have a return made to question No. 123 which was made an order for return on February 14? It was a question by the hon. member for Gatineau.

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I will make an inquiry and try to answer the question of the hon. member as soon as possible.

AGRICULTURE

BUTTER—DISPOSAL OF SURPLUS

On the orders of the day:

Mr. John R. Matheson (Leeds): Mr. Speaker, in the absence of the Minister of Agriculture I should like to address a question to the parliamentary secretary. It arises out of the answer given on March 8, 1962, to this question:

What is the age of the oldest butter now in storage?

The answer given was "August, 1960". Would the parliamentary secretary to the Minister of Agriculture advise the house whether the government intends to place this butter, produced in August, 1960, on the market?

Mr. John Charlton (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, I will have to take this question as notice in order to be able to understand it better. I could not hear the hon. member.

FORESTRY

CANADA CORNER—INQUIRY AS TO CONTRIBUTION OF CANADIAN TREES

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to address a question to the Minister of Forestry. My question is based on an article which appeared in today's *Globe and Mail* reporting a 38 acre woodland project on the island of Canvey in the Thames estuary, which is being developed to contain species of every tree that grows in Canada and which is to be called Canada Corner. Is the minister aware of this plan and if so has the government made any contribution of Canadian trees towards it? If not, would the minister consider giving some tangible encouragement to this worthy project?

Hon. H. J. Flemming (Minister of Forestry): I have a copy of the hon. member's question, for which I thank him. I have not seen the article to which he refers and we have received no formal letter in connection with it. I assure him that if we do it will have the utmost consideration.

THE BUDGET

BUDGET PAPERS—INCLUSION OF SUPPLEMENTARY ESTIMATES

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I may ask the Minister of Finance if he is in a position to tell the house whether the final supplementary estimates amounting to $138 million for the fiscal year ending March 31, 1962, are included in his estimates of expenditures contained in the white paper issued today and amounting to $6,563 million?

Hon. Donald M. Fleming (Minister of Finance): Yes, Mr. Speaker.

Mr. Pickersgill: Before they have been voted by the house?

Mr. Fleming (Eglinton): You have heard the observation offered by the hon. member for Bonavista-Twillingate from a seated position, Mr. Speaker. Let me say that if they had not been included he would be the first in the house to be shrieking and yelling and putting on another phony make-believe act, as he and his colleagues have been doing all day.

Mr. Pickersgill: I am rising on a question of privilege, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Pickersgill: The hon. gentleman, in reply to a perfectly proper, straightforward question, chose to make an utterly uncalled for personal attack upon my motives and upon my conduct in the house. It seems to me, sir, that if the hon. gentleman had done his duty properly in the house and brought the estimates before us as he should, I would have had no occasion to ask this question at all.

Mr. Fleming (Eglinton): Mr. Speaker, if questions were addressed about the business of the house and not for the purpose of obstructing there would be no need for such answers.

NORTHERN AFFAIRS

EFFECT ON TOURIST INDUSTRY OF CANADA'S TRADE WITH CUBA

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Northern Affairs and National Resources but perhaps in his absence I might direct it to the Prime Minister. In view of the approaching tourist season what action, if any, is the government taking to offset the unfavourable public reaction developing in the United States against Canada because of the government's policy in respect to trade with Cuba?

Hon. D. S. Harkness (Acting Minister of Northern Affairs and National Resources): In the absence of the Minister of Northern Affairs and National Resources, I would say that the assumption upon which the hon. member has based his question is completely false. There is no adverse effect in the United States so far as Canada is concerned. In fact, just the reverse is the case and we expect tourist traffic in the coming year will be the highest on record.

Mr. Garland: May I ask the minister a supplementary question? Does he ever read any United States newspapers?

Mr. Monteith (Perth): That is all you read.

Mr. Harkness: Perhaps I might comment briefly on that. Unlike some hon. members opposite, I can read.

Mr. Garland: Tory sarcasm.

Mr. Speaker: I did not see the hon. member for Leeds. If he has a question that he feels must be put I shall be glad to entertain it.

Mr. Matheson: I would ask the Minister of National Defence whether or not he has read in the Sunday *Times* of London that Canada is lonely and disillusioned, and that Canada's golden dream is at an end. This latter is from the Manchester *Guardian*.

Mr. Speaker: The hon. member perhaps would reserve his comments for the appropriate time.

CORPORATIONS AND LABOUR UNIONS

PROVISION FOR FURNISHING OF FINANCIAL AND OTHER STATISTICS

Hon. Gordon Churchill (for the Minister of Justice) moved the third reading of Bill No. C-38, to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada.

Mr. Frank Howard (Skeena): I should like to make some short comments on the third reading of this bill. I think we can perhaps liken it to the ride Lady Godiva took in Coventry. We do not know whether the government just wants to peek or whether it knows what it is going to find out after it peeks. I feel that all this peeping and prying into other people's business will show exactly what the government has known for many months, as was illustrated by the discussion in committee about the dominion bureau of statistics publications relating to the control of Canadian industry by foreign corporations. The bill could be referred to as Fulton's false front more than as anything worth while.

We in the New Democratic party supported this measure at second reading. We took the Minister of Justice at his word. We knew that there were things which were good and bad in the bill, but we took the minister's word that the bill had a worth-while objective and that was to assist in the development of a Canadian culture, a Canadian understanding and Canadian control of our economy so that we would have Canadianism rather than Americanism running things in the country. We were prepared, after second reading, to try to deal with the less desirable features of the bill at the committee stage. We moved a number of amendments and we raised a number of objections. All but a minor one or two of them were brushed aside.

However, during the committee stage we asked the Minister of Justice, who piloted the bill on behalf of the government, for information. The further we inquired into the matter, the more amendments we proposed, the more we became convinced, just as the Liberal party did, that this bill is just a sham and a farce. It is not designed to do anything else but give talking points to the government during some expected national event that might take place this summer. In this way, the Tories hope to attempt to mislead the Canadian people into thinking that this government is doing something about our economy. Like so many things, this bill rests upon political expediency and is in the same category as the national productivity council, the Columbia treaty and all the royal commissions we have running around the country. We feel, Mr. Speaker, that it became quite evident at the committee stage the government had knowledge, as former governments have had, of the extent of foreign control over Canadian industry since 1926.

Because there have been increases in foreign control of Canadian industry and the Canadian economy during the last two years, and because this government has done absolutely nothing about that, we cannot support or approve the bill on third reading due to its fraudulent character.

Mr. Thomas M. Bell (Parliamentary Secretary to the Minister of Justice): On third reading of the bill I feel that one or two remarks made by the hon. member—

Mr. Speaker: I think before I recognize the parliamentary secretary I should ask the hon. member for Skeena (Mr. Howard) to reconsider his last phrase. It seems to me it is not appropriate in debate to refer to bills as having a fraudulent character. I think he would probably wish to modify that expression.

Mr. Howard: I did not realize that was an objectionable phrase to attach to a piece of legislation. Perhaps I should speak kindly about the bill and say it is a bill which does not appear to be what it purports to be.

Mr. Bell (Saint John-Albert): This bill, Mr. Speaker, was given frank and full discussion. I have totted up the time and I find we spent 13 hours on it from April 2 to April 6. Many amendments were made, and the official opposition moved two amendments that were accepted by the government. However, during all the time the bill was under discussion the C.C.F.-N.D.P. party were away off base. They had no constructive criticism to make. They did not even understand the legislation. They said that in some instances there was not enough bureaucracy, and at other times they said there was too much. On other occasions they said there were not enough facts, and yet at other times they said too many facts were being requested.

I suggested they were embarrassed by the bill and that they did not take the time even to read or look at it in detail. This is important legislation. There is some urgency for it and I suggest we get on with the business. We certainly are not going to support any hoisting amendment.

Mr. Howard: Would my hon. friend permit a question before he concludes? I wonder what the hon. member would think about the phrase that "if the government wishes to lay a foundation for a fascist or communist successor they would not do better than to end up with the catch-all phrase"—the words used by the hon. member for Leeds (Mr. Matheson).

Mr. Bell (Saint John-Albert): That is the same nonsense the hon. member put on *Hansard* for the last four or five days.

[Mr. Howard.]

Mr. Pickersgill: In view of the rather offensive intervention of the hon. member for Saint John-Albert I think one might ask members of the government, when they are talking about people neglecting their parliamentary duties, why the Minister of Justice is not here when this bill is before the house?

The house divided on the motion (Mr. Churchill, for the Minister of Justice) which was agreed to on the following division:

YEAS

Messrs:

Aitken, Miss
Badanai
Balcer
Baldwin
Batten
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Bissonnette
Boivin
Bourbonnais
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Brunsden
Cadieu
Campbell (Lambton-Kent)
Cardiff
Carter
Charlton
Chatterton
Chevrier
Churchill
Clermont
Coates
Cooper
Creaghan
Crouse
Danforth
Diefenbaker
Dorion
Doucett
Drysdale
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Royal)
Flynn
Forbes
Fortin
Fournier
Garland
Grafftey
Granger
Green
Gundlock
Hales
Hamilton (Notre Dame de Grace)
Harkness
Hees
Hellyer
Hicks
Hodgson
Horner (The Battlefords)
Howe
Jones
Jorgenson
Kennedy
Kindt
Knowles
Korchinski
Kucherepa
Lahaye
LaMarsh, Miss
Lambert
Legere
Macdonald, Mrs.
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacLellan
MacRae
McBain
McCleave
McFarlane
McGrath
McIntosh
Mandziuk
Martini
Matheson
Matthews
Michaud
Milligan
Monteith (Perth)
Montgomery
More
Morris
Morton
Muir (Lisgar)
Nasserden
Nesbitt
Nixon
Nowlan
O'Hurley
O'Leary
Pascoe
Paul
Payne
Pearson
Pickersgill
Pigeon
Pugh
Racine
Rapp
Regnier
Ricard
Richard (Kamouraska)
Roberge
Robinson
Rogers
Rompre
Sevigny
Simpson
Slogan
Smith (Calgary South)
Smith (Lincoln)

Smith (Winnipeg North)	Thrasher
Southam	Tremblay
Starr	Tucker
Stefanson	Villeneuve
Stewart	Walker
Tardif	Webb
Taylor	Webster—132.
Thomas	

NAYS

Messrs:

Fisher	Martin (Timmins)
Herridge	Peters
Howard	Winch—6.

Bill read the third time and passed.

HOUSE OF COMMONS

ESTABLISHMENT OF ELECTORAL BOUNDARIES COMMISSION

Right Hon. J. G. Diefenbaker (Prime Minister) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure respecting the establishment of an electoral boundaries commission for the readjustment of representation in the House of Commons; to provide that certain members of the commission may be paid such per diem allowance as may be fixed by the governor in council; to provide for the payment of reasonable travelling and living expenses for the members of the commission; and to provide also that the commission may engage the services of such technical advisers and other staff, including a person to act as secretary to the commission, as it deems necessary.

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

Mr. Diefenbaker: After the vicissitudes of the day, Mr. Chairman, we come now to a matter on which I hope there will be a reasonable degree of agreement. I would have wished to have placed the bill before the committee. That would have permitted a fuller and more complete examination of the matters relevant to this resolution. However, that opportunity is denied. I shall therefore proceed to outline in a general way something of the history of redistribution in Canada and the views expressed in other years by various prime ministers of this country. I shall, as well, place before the committee, without that detail I would have hoped would have been possible, the general purport of the bill which will be presented to the house.

In the speech from the throne on January 18 the following appeared:

My government will ask you to take steps to ensure that the forthcoming redistribution of electoral districts is made in an equitable manner upon an objective basis. To this end you will be asked to approve for the first time in our history a measure to create an independent commission to recommend the changes required in the electoral districts as a result of the decennial census.

Shortly put, the objective we have in mind in the bill that will be presented is to place redistribution in the hands of a non-partisan commission in order to remove and eliminate the abuses of the past. I do not intend to go into any detail regarding some abuses that took place in recent redistributions, although I have some personal knowledge of what was done.

Indeed, I doubt whether I could have ever become Prime Minister if it had not been for the operations performed on two successive occasions on the constituency I represented. Therefore, I can be extremely objective and most appreciative of what was done. However, I realize that there was a need for a change to be made in what had become a decennial or semi-decennial opportunity for the majority in the House of Commons to so carve up constituencies as to—it was hoped—inure to the benefit of the government of the day.

We dealt with this matter on a number of occasions. It was dealt with in this house in 1947 and again in 1952. On both occasions we placed before the house the suggestion that the antiquated system of endeavouring to make redistribution a means whereby the will of the people might be circumvented in certain cases, or political opponents whose presence in the house was not desired by the government of the day could be eliminated, should be altered. We said there should be set up a commission that would objectively study this question. That, too, was an undertaking given during the election campaigns of 1957 and 1958.

We all know that from 1867 on, the decennial exhibition that parliament gave was not such as was in keeping with the preservation of democratic representation through reasonable equalization of representation by population. That principle, of course, cannot be adopted. There must be some exception. The adoption of this principle without any qualification would mean that, as the urban population of Canada increases and as the tremendous surge continues from the rural parts into the cities and in particular to the suburbs of cities, the rural areas would have an almost negligible representation.

The same problem was faced in the United States by its supreme court in a judgment that was rendered some three weeks ago in the case of Baker *v.* Carr in which that court dealt with the situation in Tennessee where, as the result of following principles other than those which all of us intend and expect should be followed, a very small proportion of the population was able in that state to control the outcome of the election in that state. We undertook to see to it that never again would redistribution be made an objective of party policy directed by a government. We did so because we believe that the will of the people should not be thwarted or

diminished by crude efforts, in some cases, or the redrawing of maps of peculiar shape and form in order to remove those whose presence in this chamber would be regarded by a government with a large majority as inimical to the quietude of the soul of that government.

Political parties throughout the years have often advocated that some change be made and have been strong in this matter in opposition but weak in implementation. As far back as 1920 the late Mr. Mackenzie King said that something should be done. He was in opposition then. In 1944 he made a declaration that everything possible should be done to assure a fair degree of equal opportunity in all parts of the country. In 1933 he spoke in terms of deep conviction in favour of the assurance of fairness in redistribution. When he took office this matter was among those promises not implemented. A special committee on elections was appointed in 1936 and it carried on until 1939. A comprehensive report was made but it was never published. The whole problem of redistribution was considered again and studies were made prior to the acts of 1947 and 1952.

I shall refer to some of these questions a little later on. However, having mentioned the objective we have in mind, the purpose and the aim to make democracy work and to ensure that the people shall not have their will subverted by improper conduct in this regard, I think I should now set out in some detail the reason for redistribution. I shall quote fully the appropriate sections. The British North America Act, section 51, subsection 1, states as follows:

(1) Subject as hereinafter provided, the number of members of the House of Commons shall be two hundred and sixty three and the representation of the provinces therein shall forthwith upon the coming into force of this section and thereafter on the completion of each decennial census be readjusted by such authority, in such manner, and from such time as the parliament of Canada from time to time provides subject and according to the following rules:

1. There shall be assigned to each of the provinces a number of members computed by dividing the total population of the provinces by two hundred and sixty one and by dividing the population of each province by the quotient so obtained, disregarding, except as hereinafter in this section provided, the remainder, if any, after the said process of division.

2. If the total number of members assigned to all the provinces pursuant to rule 1 is less than two hundred and sixty one, additional members shall be assigned to the provinces (one to a province) having remainders in the computation under rule 1 commencing with the province having the largest remainder and continuing with the other provinces in the order of the magnitude of their respective remainders until the total number of members assigned is two hundred and sixty one.

Then, of course, in subsection 3 there is provision that, the number of members to be assigned to a province being less than the number of senators representing the said province, rules 1 and 2 shall cease to apply. Then I might refer to paragraph 5 which states:

5. On any such readjustment the number of members for any province shall not be reduced by more than fifteen per cent below the representation to which such province was entitled under rules 1 to 4 of this subsection at the last preceding readjustment of the representation of that province, and there shall be no reduction in the representation of any province as a result of which that province would have a smaller number of members than any other province that according to the results of the then last decennial census did not have a larger population.

Then it refers to the Yukon territory and so on. Provision is also made—and I underline this—that the redistribution is to be proceeded with after the completion of the census. I am not going to deal with this matter at the moment. There are no cases in Canada on the meaning of those words although in the United States there have been judicial interpretations of similar words.

There is no general statute providing for the representation of the provinces and the boundaries of the electoral districts. In the past a representation act has been enacted upon the completion of the decennial census, the most recent being the Representation Act of 1952, chapter 334. The practice has been to introduce a bill in the House of Commons prescribing the number of members for each province but leaving the schedules of electoral districts blank for a committee to insert the boundaries and descriptions of electoral districts. After receiving that consideration by the committee the bill has been returned to the house and upon passing the house and the other place and receiving royal assent has become law.

Under this resolution I propose that an independent commission should be set up. Parliament's rights would not thereby be lost. While the commission would settle the electoral districts, parliamentary approval would be required before this action became effective. The experience in other countries has been that parliamentary control must be maintained but I know of no case, except with regard to slight amendments or comparatively small changes, where any parliament has seen fit not to follow the recommendations made by a commission which has gone into the matter fully.

I mentioned a moment ago that there had been various suggestions made over the years. In 1903 it was suggested in the house that the principle of a reference to a judicial committee should be adopted, that county boundaries should not be laid down as a principle except subject to certain conditions, that a commission should be set up composed of the chief justices of the highest courts of

judicature in each of the provinces of Canada for the purpose of fixing boundaries, and that such a commission in so doing should consider the distribution of population and the public interest and convenience. That was the viewpoint placed before the house by the Conservative party of that day.

I am not going back to deal with the discussions that took place in successive redistributions. They have always been noted for warmth and acerbity and have not been of a nature as to elevate parliament in the thinking of the people. In 1947 a bill was brought in by the then prime minister, Right Hon. Mackenzie King, and the Progressive Conservative party took the stand then that there should be a non-partisan redistribution. During the course of my remarks in the house on July 15, 1947, I pointed out that Mr. Mackenzie King when he was in opposition in 1933 had stated: "Above all, there should be fairness in the matter of redistribution".

I might also point out that Mr. King stated this when speaking in the house in 1932:

I believe that the only true method of securing a representative parliament is by a system of proportional representation properly worked out with regard to the dominion as a whole. The reform should commence with the cities and the larger municipalities in our country. When the Liberal government was in office we introduced into this house a measure of proportional representation in connection with city constituencies. It was fought for some little time, there was considerable opposition from the then opposition and the measure was not proceeded with.

Then he stated:

It was not reintroduced because the government of the day had not a majority in the other chamber which would ensure its enactment, and there were more pressing matters requiring attention. I might add the late Liberal government did not have a majority in the Senate all the time it was in office. If we had had a majority in the other house upon which we could have relied we would have proceeded with our proportional representation measure.

That is just an observation of interest and of particular interest, of course, to the hon. member for Bonavista-Twillingate who, being engaged in writing Mr. King's memoirs, will find that a very interesting interlude. I also bring these words of Mr. King to the hon. member's attention and I do so in that spirit that is evidenced here this evening. I emphasize these words of Mr. King to the hon. member for Bonavista-Twillingate who has only recently been on a tour d'horizon to find out about election promises. He stopped that, though, when he got so many answers showing how many had been carried out.

Mr. Pickersgill: Does the Prime Minister wish to extend the scope of the debate to that subject?

Mr. Diefenbaker: I notice that the hon. gentleman has not said anything about it since he got the answers. I want to bring these words of Mr. King to his attention:

If we are ever returned to power—

He was returned in 1935.

—a proportional representation measure will be a feature of the Liberal platform and program of legislation.

The hon. gentleman might add that to his list. To return once more from rather general remarks to the subject matter of the resolution, I stated on June 28, 1952, as found on page 3928 of *Hansard*:

The only reason we would want to retain it—

A system under which an independent commission would not be appointed.

—would be the political advantage of the party with the majority at the time. After all, the setting up of a commission will not remove from parliament the right and duty to determine the question once and for all. But, Mr. Speaker, the experience in Britain and elsewhere has been that when an independent commission speaks no parliament anywhere within this commonwealth has ever dared to alter the boundary lines of any constituency in a way which would have the result of liquidating a political opponent. In other words the commission system would provide a scientific means whereby redistribution would be determined on the only basis on which it should be determined, namely the question of population, subject of course in every case to these peculiar exigencies that occur in various constituencies where, by reason of the industrialization, the urban nature of a constituency, the rural nature of another, there has been recognized at all times the principle that population shall not be equal in all constituencies.

Now, sir, in 1952 we endeavoured to bring this about and not only did the Progressive Conservatives take this stand but the antecedents of the New Democratic party combined, without success, to press for the postponement of passage of the bill brought before the house until an independent commission had an opportunity to make the necessary reallocation of seats. The then leader of the opposition, the Hon. George Drew, said this as reported at page 3828 of *Hansard* for June 27, 1952:

—I am suggesting that the government consider introducing another bill—

That is, another after the bill to which I made reference earlier.

—which would set up a commission to carry out redistribution which then could be dealt with when this house reconvenes.

This did not receive any support from the members of the government of that day. Professor Robert MacGregor Dawson discussed in his book some of the proposals to give the power of redistribution to some more impartial body than a committee of parliament. He says this:

Thus Mr. Mackenzie King, in 1933 suggested a commission of six judges from different provinces—

Then, he describes the nature of the recommendations, and says that the Hon. C. G. Power disclosed in 1947 that the government had had a bill prepared in 1940 to set up a commission composed of a superior court judge as chairman, assisted by two commissioners appointed from each province in turn as its constituencies came under consideration.

I mentioned a moment ago that there has been experience in this regard in the United Kingdom, Australia and South Africa. All of these countries have had a system similar in nature, but differing in particulars because each country has its own peculiar problems. Each is designed however, to remove as far as is practical and possible, the question of redistribution from a purely party matter. In the United Kingdom, the redistribution of seats is provided for by the House of Commons redistribution of seats act, 1949 and 1958. There is a continuous review of the distribution of seats. It is carried on by four permanent boundary commissions, one for England, one for Scotland, one for Wales and one for Northern Ireland. Each boundary commission consists of four members, and in determining the redistribution of seats must take into account local interests. It is required to give persons in the constituency that may be affected by a change in redistribution the opportunity of making representations.

There is parliamentary control; for as soon as possible after a report is made by the boundary commission to the secretary of state, that minister must lay the report before parliament. If changes have been recommended by the boundary commission, there must accompany the reports laid before parliament draft orders in council which are to show how effect is proposed to be given to the recommendations of the boundary commission. If each house of parliament, by resolution, approves the draft orders they are submitted to Her Majesty. If the draft orders in council are not so approved by resolution by each house of parliament, amended drafts may be laid before parliament.

In South Africa, when it was a member of the commonwealth, the redistribution of seats was provided for under the South Africa act, 1909. There, a commission of judges is appointed. In Australia redistribution is dealt with by the commonwealth electoral act, 1918. The number of members to be elected is ascertained by dividing the population of the commonwealth by twice the number of senators. The distribution of each state into an electoral division is carried out by three distribution commissioners appointed by the governor general. One of the distribution commissioners must be the chief electoral officer or an officer having similar qualifications, and one must be the surveyor general of the state or an officer having similar qualifications. Now, without revealing in any way what is in the bill, I think it would be generally agreed that the electoral officer, occupying as he does a completely independent position, should be one of the members of this commission.

I return to the point I was dealing with a moment ago, the reference to the Hon. C. G. Power, now a member of the other place. In 1952, he set out certain general principles as to redistribution. He said that we must start afresh; that parliament should maintain its control and responsibility over the action it takes with respect to redistribution and that we must lay down some set of rules and regulations upon which we can base future redistribution. Then, as reported at page 3183 of *Hansard* for 1952, after referring to the need for a brand new redistribution, he said:

> —it should be taken out of the responsibility of members of the house.

He did emphasize, however, the need for parliamentary responsibility.

When I spoke of the functions of a boundary commission in July, 1947, I said this:

> That commission is one which is above partisanship. Parliament still rules; parliament still controls; but parliament would not act unfairly against a political opponent.
>
> If the recommendation of this committee—

And I am referring to an independent committee.

> —were to the effect that a certain change should be made, it would adopt it even though it might be helpful to an opponent.

Now, sir, this whole question was discussed at length in the United States case to which I referred earlier, Baker *v.* Carr, which I think all hon. members could read with benefit to themselves. It deals with the urbanization of the United States and the degree to which a major portion of the population was finding itself more and more concentrated in certain areas.

I come now to the question of what would happen in the event that we maintain the present number of seats in the house, having regard to the changes that have taken place in population. Newfoundland and Prince Edward Island would continue with the same representation. Nova Scotia would lose one seat. New Brunswick would have the same; Quebec would have the same; Ontario would gain three; Manitoba would lose one; Saskatchewan would lose four; Alberta would gain two and British Columbia would gain one.

There have been some suggestions made that there should be an increase in the number of members in the house. What would

be the effect of an increase in the number of members? If the total number of members were 283 the result would be that Nova Scotia would still lose one; Manitoba would have the same number; Saskatchewan would lose three; Alberta would gain four; British Columbia would gain three; Quebec would gain five and Ontario would gain 10. On the other hand if the total number of seats increased to 293 the result would be that Nova Scotia would have 12 and Newfoundland seven; Quebec would gain eight; Ontario would gain 14; Manitoba would have the same; Saskatchewan would lose two; Alberta would gain four; British Columbia would gain four and the others would be the same. That indicates some of the difficulties that are most apparent.

I have often thought that with a membership of 263 in the House of Commons the number of members is sufficient. Indeed the view has often been expressed that this chamber might be very considerably reduced in size, that the removal of the desks would make a tremendous difference in the quality of debate and make for a closeness between members of the government and the opposition—I am referring to propinquity. It has also been suggested that it would contribute to the informality that characterizes the British House of Commons. However the same distance would still be between us.

It is very interesting to recall that the distance between government and opposition was fixed in the reign of James I to be the distance that would just permit adversaries to touch the points of their swords. That distance between government and opposition has since remained, even though the reason for the distance has long since ceased to exist.

We feel that this commission, when set up, would proceed with its work on the basis of the present law relating to the total number of members in the House of Commons. It should have the power to advise re-allocation of seats in accordance with section 51 of the British North America Act, taking the last census into account in order to bring about equitable results. We would expect it to bring this to the attention of parliament and to recommend such change in the total membership of the house that would make a just and equitable re-allocation of seats without serious dislocation or hardship arising from its recommendations on the number of seats in any one province. When that recommendation had been made to the government, it would then consider asking parliament to make the necessary changes in the law to implement the recommendation.

In summary, therefore, what we are endeavouring to do by this resolution is to take redistribution out of partisan politics. The experience of the past has been, except in a very few cases, that the gerrymandering of constituencies for political purposes has not been successful as an operation once the people have had their first opportunity to speak afterwards. This is a serious endeavour made by this government, after the fullest study of the matter, to eliminate the abuses of the past, to make the House of Commons truly representative, and at the same time give this commission certain ground rules and directions from parliament as to the principles that it should accept. It is an endeavour at the same time to grant flexibility in the interest of fairness in order to assure that the considerations that have always been in the minds of governments since 1867 shall be maintained.

It must also be pointed out to the commission that rural ridings must necessarily, in the experience of the past, have less population in general than urban ridings, and that there are other considerations such as geographical lines, rivers, county lines and the like which must be taken into account. But all these considerations shall be based on the assurance that an independent commission will bring about a redistribution that is fair, just and reasonable; one that will be determined not on the basis of the frailties of human nature, which all of us have, but on a basic principle that the political advantage of the government or a majority in the house shall not be one of the considerations to be taken into account or given any attention. In other words, as I said a moment ago, we want to follow the lead that has been taken by almost every nation—certainly by the commonwealth nations, as well as by the mother of parliaments—that membership in parliament shall be determined fairly by the people and it shall not be dependant in any way on the course followed by Governor Gerry which gave to this operation the name "gerrymandering". That course which has been followed throughout the years since confederation shall no longer be followed in this nation.

This was our view when we were in opposition; it is our view today in government. This is another step forward in the carrying out of those promises which will make parliament more effective, stronger and more representative of the people as a whole.

Mr. Pickersgill: Mr. Chairman, I have not had the advantage, or the disadvantage—and I suppose that depends on your point of view —of taking part in any redistribution in any parliament, because the last redistribution took place before I became a member of parliament.

Mr. Diefenbaker: But the hon. member is given credit for being one of the architects of the 15 per cent.

Mr. Pickersgill: I would say, Mr. Chairman, that any credit I am given in that respect is for something that was achieved, and not merely a promise.

Some hon. Members: Oh, oh.

Mr. Pickersgill: With regard to the 15 per cent that perhaps kept the hon. gentleman in the House of Commons, I have no objection to taking any credit that the hon. gentleman wishes to give me. But that is not really very germane to the point. In the few minutes I have left to me this evening I will try to deal with the principle that the Prime Minister has put forward.

I may say at once that the principle underlying the proposal is completely acceptable to the official opposition in this house. It is not only acceptable, but a resolution to that effect was formally adopted by the national council of the Liberal party.

Some hon. Members: Oh, oh.

Mr. Browne (Vancouver-Kingsway): When was that—in 1917?

Mr. Pigeon: You have changed your view.

Mr. Pickersgill: No; I had no view to change. I have explained to—

Some hon. Members: Oh, oh.

Mr. Pigeon: Fifteen per cent responsibility last time.

Mr. Pickersgill: I explained to the hon. members that I have had no direct experience of this matter in the past. Here is the position taken by the Liberal party.

> The Liberal party believes that redistribution of membership in the House of Commons should be carried out by a non-partisan commission.
> Until now, this has been done only—

This is so far as Canada is concerned:

> —in the province of Manitoba, where the commission was established by a Liberal government.

Some hon. Members: Oh, oh.

Mr. Pickersgill: If I may continue:

> Redistribution means redrawing the boundaries of constituencies according to population. It is required every ten years, after each census. The present government, with characteristic delay, has not arranged for redistribution, based on the 1961 census, in time for the present election. As a result, some parts of the country will be denied the representation in the next parliament to which they are entitled under the constitution of Canada.
> A new Liberal government will promptly give effect to the principle of redistribution by a non-partisan commission.

An hon. Member: What happened to the old Liberals?

[Mr. Pickersgill.]

An hon. Member: Is that signed by Mackenzie King?

Mr. Pickersgill: Mr. Chairman, I do not intend this evening to spend any time on the highly selective history and the rather spotty history to which the Prime Minister treated us, nor on the tour around the world that the Prime Minister took, which I have never had the benefit of doing either.

Some hon. Members: Oh, oh.

Mr. Monteith (Perth): Ask Paul.

Mr. Pickersgill: Mr. Chairman, I think everybody on this side of the chamber listened attentively and quietly to the Prime Minister, and I would hope that in a matter of this sort, when the Prime Minister professes to be seeking to elevate the tone of parliament on this subject, I might be listened to with the same attention that the Prime Minister received.

Some hon. Members: Hear, hear.

Mr. Starr: It was not elevated when you got up.

Mr. Pickersgill: When the Minister of Labour has finished his interjection, perhaps I could continue. It seems to me that there are certain conditions that will have to be fulfilled in any bill to make it acceptable, I would hope to either side of the house but certainly to us in the official opposition. The commissioners must be appointed by the act; they must be named in the bill. We are certainly not going to agree to take redistribution out of the House of Commons and put it in the hands of the governor in council; I can assure hon. gentlemen of that. We are certainly not going to approve any measure that sets up a commission comparable in any way to the board of broadcast governors. We have had enough of that kind of impartiality in the last few years.

This is not a business for the government. Though the Prime Minister, as the leader of the house, has a certain responsibility to bring the matter before us, in respect of the representation in the house there is no government and there is no opposition; there are simply members of parliament who should, according to the scheme of 1867, represent roughly the same number of constituents, having regard to certain other considerations, some of which the Prime Minister mentioned and all of which certainly have to be taken into account.

It seems to me that the commission cannot be expected to make its own rules. That is our responsibility here in parliament. We will have to specify in the bill the maxima and the minima of population. We will have to lay

down rules so that the commission will know what it is expected to do, because a commission without rules of that kind would simply be at sea in making any attempt at redistribution.

I would commend to hon. gentlemen a careful reading of the speech to which the Prime Minister referred, made by the Hon. C. G. Power in 1947, where Mr. Power pointed out, with a little more time at his disposal than I have now, some of the difficulties that would be inherent in a commission doing this for the first time. I think once it has been done a first time it will probably be relatively easy in the future because it will be merely a matter of rearranging boundaries to take account of any change in population. But the original redistribution, if it is to be done on a new and scientific basis, is going to be a very formidable task indeed, because we can all give all kinds of examples of what a patchwork quilt there is in every province as a result of taking into account all sorts of special factors.

I might say here that perhaps, having had no personal experience in this matter, I may take a somewhat more objective and a less subjective view than that taken by the Prime Minister. I do not believe there has been much conscious attempt to be unfair in any redistribution I have seen anything of. Sir John A. Macdonald did boast about hiving the Grits in 1882; but certainly in the twentieth century I do not think there has been any wholesale gerrymandering, although I know it is the fashion for oppositions to make that claim and it has been done by both parties as Mr. Drew so fairly pointed out in 1947. But I do not believe that is true at all.

It seems to me that another thing that must be prescribed in addition to the maximum and minimum are what geographical, what historical and what other conditions the commission is to take account of, and what exceptional provisions are to be made. They must not be left to do this thing capriciously or without rules; that is our responsibility here.

Then I say the bill should prescribe that the report of the commission would take the form of a representation bill and that the government would have the duty of presenting that bill, unchanged, to the house. That does not mean that members of the government could not move to amend the measure. It would not be a government measure. The government would not be expected to stand or fall on it at all; if it is an independent commission it would not be fair to the government to ask it to. However, the report should be presented in the form of a representation bill by the commission so that we would have the benefit of the views of the commission. I think the Prime Minister will find that, in the first redistribution after world war II, when the United Kingdom commission there did make a report, the report was not accepted by the government of the day and very substantial changes were made in the measure which they brought in. That was not in 1949; it was earlier than that. I have not looked up the details but I think it will be found that that was the case.

I do not think that should be allowed to happen. If we are to appoint the kind of commission there ought to be—and I say "we" advisedly because this is not a matter for the government or the opposition but is one for the house as a house to do—and if we are to appoint a commission in which we all would have confidence, their report should be here for us to deal with in the form of a bill. After that bill has been presented if the government then is not satisfied or if the opposition or any hon. member is not satisfied they can move to amend it; but parliament should be sure that it has the views of the commission in that form. I say that is another consideration.

I have very little time this evening, and of course in these days we never know what is to come on the next day, if anything. I shall try therefore to get as much said as I can this evening. The Prime Minister referred to the section of the British North America Act governing redistribution, and the important words there are, "on completion of the census 'representation' shall be readjusted".

Mr. Diefenbaker: I do not wish to break in on the hon. member's speech and I am prepared to recommend that he be granted extra time if the committee will agree. A moment ago the hon. member said we delayed unnecessarily in this matter. Would the hon. gentleman explain how we could have brought this about until the census was completed?

Mr. Pickersgill: That is precisely what I am going to explain to the Prime Minister. I hope the committee will agree to grant me a few extra minutes as the Prime Minister suggested in order that I may complete my remarks this evening.

Since confederation there has been no election ever held without complying with that constitutional provision; no election after a census has been held, except in 1945. In that case, as the Prime Minister will remember, a constitutional amendment was secured from Westminster postponing redistribution until after the war, so that the constitution was complied with.

Electoral Boundaries Commission

In 1872 the redistribution act was passed on June 14. In those days they were not in any hurry about elections. The voting started on July 20 and concluded on October 12.

In 1882 the redistribution act was passed on May 17 and the election was held on June 20. There had been a Liberal government intervene which fixed elections on a single day, instead of running them over a period of three months as was previously done.

In 1911 the census was not completed when the election was called. I did not have time to look up the actual date of the calling of the election, but the election was held on September 21, so one would assume it was called sometime in July, and it is quite obvious that the census would not have been completed at that time. In 1872 and in 1882 the redistribution was done before there was an election. Communications are much better today than they were in those years. There would have been no difficulty whatever about having the redistribution this year. It could have been in progress now if the government had taken the course that it should have taken, the course recommended by the hon. member for Port Arthur in every session of parliament, to the best of my recollection, since we have been here.

The government did not need to wait for the census in order to provide for the commission. If the government had been serious about carrying out its promise, this measure would have been brought in in 1960. It would have been left on the table for a year so that it could be studied by all hon. members and other interested persons, as is usually done with legislation of this fundamental importance. In 1961 it could have been reintroduced with whatever improvements commended themselves, and passed. The commission could have been in existence from last October. It could have got everything organized so that the moment the census returns were available it could have started to work the next day.

Mr. Diefenbaker: The census is not yet completed.

Mr. Pickersgill: It does not matter whether or not the census is completed. The commission could have been set up. I predict that under the course we are following the actual business of redrawing the boundaries will not begin for two years at the very least. I have very good reason for making that statement. Mr. Harris in 1951 discussed this matter with a good many authorities on the subject including the chief electoral officer. The difficulties in the way of doing this by independent commission are very formidable and the time required is very great. If the government had been genuinely anxious to carry out this promise which was made at Carman, Manitoba, on May 15, 1957 by the Prime Minister this legislation would have been brought into the house in 1960, at the latest, and there is no reason on earth why it should not have been done, except that this government is never able to do anything when it should be done.

Mr. Diefenbaker: It is going to be able to do something very shortly.

Mr. Pickersgill: I observe that Your Honour is on his feet. I understood, sir, the committee was going to be good enough to allow me a few extra minutes.

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

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, in the light of the questions that were asked earlier on the orders of the day, I hope the house leader will now outline to the house what the business will be for the rest of the week. More particularly, I should like to ask him the following questions: What will be the business tomorrow prior to eight o'clock? What will be the business on Wednesday? Earlier today the house leader indicated that he would announce the business for Wednesday. What opportunity will there be to discuss the budget? And finally, when will the further supplementary estimates be called?

Mr. Churchill: Mr. Speaker, the great difficulty in dealing with the business of the house is to know what progress is going to be made from day to day. On Friday when I outlined in the house nine items of legislation, it was only reasonable to expect that some of those items would be passed through the house today. However, we have had only third reading of one bill. This makes the situation very difficult indeed. However, our intention tomorrow is to proceed with the study of this resolution, and until it is passed we cannot have a bill in front of us. That will be followed by the bill respecting the amendment to the British North America Act with regard to the Senate, which is eagerly awaited. Then we shall take the other legislative items that I outlined on Friday including the Veterans' Land Act, The Canada Grain Act and so on.

Mr. Chevrier: In that order?

Mr. Churchill: Yes; the same order that I indicated on Friday. It would be helpful to continue on Wednesday with legislation if we make progress tomorrow. However, I have no means of knowing what the house intends to do. Consequently I cannot forecast just what we should do on Thursday and Friday. For tomorrow I have one suggestion to make which the house might consider. In view of the importance of the budget speech which commences at eight o'clock tomorrow night and the fact that the chief spokesman of the opposition likes to reply, it is suggested that the house might now determine that it will sit past 10 o'clock tomorrow night in order that there may be opportunity for that type of reply without any interruption, and that we adjourn say at 10.30 or earlier if the spokesman for the opposition moves the adjournment of the debate before 10.30 p.m.

Mr. Chevrier: Will there be no opportunity to discuss the budget on Wednesday on the part of the Leader of the Opposition and any other member who may wish to speak on it in the prescribed order?

Mr. Churchill: There is going to be plenty of opportunity for discussion, whether it is Wednesday or not. On some occasions the opposition has asked for two intervening days for consideration.

Mr. Chevrier: May I just put this suggestion to the house leader without wishing to get into an argument. The practice has been to allow someone to speak on behalf of the opposition. However, the Minister of Finance as a rule completes his budget presentation about a quarter to ten. It is not fair to ask anyone on the part of the opposition to speak for 10 minutes only and then not go on with the budget the next day. That is the point I am making. That was the point I wished to put to the house leader in inquiring whether or not there will be an opportunity to discuss the budget on Wednesday.

Mr. Churchill: The hon. member says it is not fair to go on with the budget the next day. However, that has been the practice over the years. The hon. member for Greenwood is the one who can give evidence to the fact that there always was an intervening day. Sometimes the Easter recess intervened.

Mr. Chevrier: It was the practice when the debate was continued on the next day. I grant that. But if there is not going to be a continuation of the debate on Wednesday, then the question I asked the house leader was this: What opportunity would there be for the opposition to debate the budget?

Mr. Macdonnell: May I say one word as I think there is confusion as to what was the practice for many years on the night of the budget. After the Minister of Finance spoke I, who was the then financial critic, was allowed to follow and I was left a good deal of discretion as to the time occupied; but the practice which I followed in all those years was to speak for not more than 10, 15 or 20 minutes and then to adjourn the debate. Never, I think, did the discussion continue the day following. Usually several days intervened.

Mr. Pearson: May I ask the Prime Minister whether there will be full opportunity to continue the budget debate?

Mr. Diefenbaker: I find it difficult to understand the attitude of the Leader of the Opposition. Day after day I read reports saying, "Fiery Leader of the Opposition says 'bring on the election'." I now find him running for cover.

Mr. Pearson: As is customary, Mr. Speaker, the Prime Minister's observations are both irrelevant and offensive. I am asking the Prime Minister whether he proposes to choke off the budget debate after the Minister of Finance has made his statement.

Mr. Diefenbaker: The house leader has stated that the opposition will have an opportunity tomorrow evening. We will extend the time if the house will agree. Then the determination as to the business for Wednesday will be announced tomorrow night.

Mr. Martin (Essex East): Talk about closure and the rights of parliament.

Mr. Chevrier: I have another question. I had asked the house leader whether there was any disposition on the part of the government to bring on the supplementary estimates. Before he answers that question may I put this proposition to him. It has been the practice in the past—and I am sure the hon. member for Greenwood would confirm this—to do what has been suggested now by agreement.

Mr. Pickersgill: Always in advance.

Mr. Pearson: Yes, always in advance; but not now, of course.

Mr. Speaker: The one matter which appears to have been suggested and which stands for consideration and for decision of the house was that, if necessary, the time might be extended, in order to permit a preliminary reply after the Minister of Finance has finished his budget speech. Is it agreed that is the wish of the house?

Some hon. Members: Agreed.

Mr. Pearson: No, Mr. Speaker. There can be no agreement on that matter. What we are being asked to do now by the government is to listen to the Minister of Finance for two hours or two and a half hours and immediately thereafter take up our time to reply to the minister without any intervening period at all, even of one day. The Prime Minister knows perfectly well that has never been done in the past.

Some hon. Members: Oh, oh.

Mr. Pearson: The hon. member for Greenwood knows that when the budget debate was postponed after he made a short reply, that was done by agreement. We asked that the government follow the same course this time. I am sure my hon. friend will agree with me that was the course that was followed in the past.

Mr. Macdonnell: I said previously this evening that the practice when I acted as financial critic was that I followed the minister of finance and that I used such time as I wished that same evening, usually not more than 15 minutes.

Mr. Chevrier: That is right.

Mr. Macdonnell: Then I adjourned the debate and it was not resumed usually for several days.

Mr. Martin (Essex East): But you were, of course, allowed to make your speech.

Mr. Pearson: Was it not done by agreement? Is it not the case that the debate was resumed, with his knowledge and approval by agreement? I ask the hon. member whether that is not the case.

Mr. Speaker: Order.

Mr. Chevrier: Will the hon. member for Greenwood answer the question?

Some hon. Members: Sit down.

Mr. Speaker: Order. I understand that a question has been asked and I have no objection to its being answered. However, if the house is not in agreement, nothing can be accomplished by debate.

Mr. Chevrier: The hon. member should be given an opportunity to reply.

Mr. Speaker: The only course to be followed is to deal with the situation when it arises. As far as I can see, there is no agreement about what may be done at ten o'clock tomorrow night. The house will have to decide that matter then. It being ten o'clock this house stands adjourned until 2.30 p.m. tomorrow.

Mr. Pickersgill: Arrogance.

[Mr. Speaker.]

Mr. Martin (Essex East): I raised this question on the orders of the day, Mr. Speaker. You had suggested that the appropriate moment to raise this order of business—

Some hon. Members: Order.

Mr. Martin (Essex East): If Your Honour will permit me to say so, when I raised this matter on the orders of the day you had suggested that the appropriate time at which to raise it was at this hour. That has been done. We are now discussing the procedure. There has been no agreement. On the eve of the dissolution of parliament we are trying to see to it that at the least, one privilege is given to the opposition, namely that the Leader of the Opposition not only be allowed to begin his speech tomorrow but that, before this house is dissolved, he be given the opportunity to complete his statement with regard to the budget brought in by this government. To deny us this right will be something that the people of Canada will observe.

Mr. Diefenbaker: Mr. Speaker, I thought it was ten o'clock. However, I would say to the hon. gentleman that he should recall January of 1940 when he starts telling us what should be done. He should remember what was done then. It is ten o'clock.

Mr. Pearson: I think it should be recorded that when I made—

Some hon. Members: Oh, oh.

Mr. Pickersgill: Another form of closure.

Mr. Speaker: Order. Would the Leader of the Opposition resume his seat. If the house is concerned about making an arrangement I am content to hear more, but I do not think I can allow a debate to continue which is not leading somewhere in the discussion of the business of the house. It was proposed, as I understood it, to allow sufficient time that the opposition could make an interim reply after tomorrow night's budget speech, and if the house is prepared to agree to a time of 20 minutes or half an hour beyond the conclusion of the budget address the matter can be dealt with. Otherwise it will have to be dealt with tomorrow when the occasion arises.

Mr. Pearson: Mr. Speaker, I am merely suggesting that the ordinary, normal, courteous course be followed which was followed by the hon. member for Greenwood, and when I outlined what that course was he nodded his head in assent. I hope it will be followed on this occasion.

Mr. Monteith (Perth): It is always followed.

Mr. Diefenbaker: The courteous course will always be followed and always has been.

Mr. Chevrier: It has not been tonight.

Mr. Diefenbaker: Mr. Speaker, we have pointed out what the ordinary course is. Tomorrow evening they will have their opportunity. If they want extra time it will be given if the house agrees. If they do not, then they must make their own decision.

Some hon. Members: Shame. Shame.

Some hon. Members: Closure. Closure.

Mr. Pickersgill: The rights of parliament torn to pieces.

Mr. Speaker: Order.

Some hon. Members: Shame. Shame.

Mr. Martin (Essex East): What a Prime Minister.

Mr. Diefenbaker: What a future leader of the opposition.

Mr. Speaker: Order.

Mr. Winch: Mr. Speaker—

Mr. Speaker: Order. Is the hon. member speaking for his party? As I understand the situation, at this stage it has been proposed that there be time for reply and the house has agreed.

Mr. Martin (Essex East): No, there has not been agreement.

Mr. Winch: Mr. Speaker, all I want to say is that with all this talk of courtesy and decency I hope it will be remembered that there is a group in this corner of the house that would like to have an opportunity to say something.

Mr. Speaker: In the absence of any agreement I have no course but to observe the rules of the house. It being ten o'clock, this house stands adjourned until 2.30 tomorrow afternoon.

It being fifteen minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, April 10, 1962

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

STANDING ORDERS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Miss Margaret Aitken (York-Humber) presented the first report of the standing committee on standing orders, and moved that the report be concurred in.

Motion agreed to.

PROCEDURE—FIRST REPORT OF SPECIAL COMMITTEE

Mr. Speaker: May I inform the house that the committee on procedure has its first report in the course of preparation, in English and in French. I had hoped to be able to present it to the house now. If it should be ready in the course of the afternoon, would the house permit me to present it when it is ready?

Some hon. Members: Agreed.

[*Later:*]

Mr. Speaker: I have the honour to present in English and French the unanimous first report of the special committee appointed to consider with Mr. Speaker the procedure of the house. This is done pursuant to leave given earlier today. The report will be printed in *Votes and Proceedings.*

TRADE

WHEAT—TABLING OF TEXT OF INTERNATIONAL AGREEMENT

Hon. Alvin Hamilton (Minister of Agriculture): I wish to table the text of the 1962 international wheat agreement in its original version, which is in English. I am also tabling a French translation. For the convenience of hon. members I ask leave to have the text of the agreemeent published as an appendix to today's *Hansard.* Following the usual practice, both houses of parliament will be asked to approve by resolution Canada's ratification of the agreement.

Mr. Speaker: Has the minister leave to table the document tendered just now?

Some hon. Members: Agreed.

Mr. Speaker: And has the minister leave to have it printed as an appendix to *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For text of document referred to above, see appendix to* Hansard *for Wednesday, April 11, 1962.*]

[*Later:*]

Mr. Speaker: May I have leave to present a further problem. The Minister of Agriculture presented today, and got leave of the house to have printed as a schedule to *Hansard,* a very lengthy document. *Hansard* today will be lengthy enough without the addition of a further 50 pages and, subject to the approval of the house, I have taken the liberty of having this document printed as an appendix to tomorrow's *Hansard* rather than today's. Is it agreed?

Some hon. Members: Agreed.

PUBLIC SERVICE

INTERNATIONAL JOINT COMMISSION—APPOINTMENT OF CHAIRMAN OF CANADIAN SECTION

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as the house is aware there is a vacancy on the international joint commission. I wish to announce that the governor in council has today appointed Mr. Arnold D. P. Heeney, presently our ambassador to the United States, to that position. His appointment becomes effective on the 15th of this month.

Mr. Heeney will remain for a few days as ambassador in Washington before returning to Ottawa. Naturally I am very pleased that Mr. Heeney has accepted this position. The house is fully aware of his distinguished record and qualifications. As a student and teacher of international legal matters, as one time secretary to the cabinet, as former under secretary of state for external affairs and as ambassador to the United States, he has for many years been concerned with those matters which will come under his interest and consideration in this new position.

Hon. L. B. Pearson (Leader of the Opposition): I am sure the house will have heard with some interest the announcement which the Prime Minister has made. This announcement gives us on this side of the house an opportunity to pay tribute to the work that

General McNaughton has done on the international joint commission and to his distinguished service to Canada in war--from the first world war—and in peace. General McNaughton is a man whose integrity, honesty and honour are above reproach and are recognized on all sides.

As he is leaving the international joint commission I cannot think of anybody better equipped for that position than the man who has been mentioned by the Prime Minister as the new chairman of the Canadian section. Mr. Heeney, as the Prime Minister has said, is also a very distinguished public servant. He has filled many important posts, and he has filled them all with great distinction. I am sure he will fill this one with great distinction too.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I and the members of this group wholeheartedly join with the leader of the official opposition in paying tribute to General McNaughton and the great service he has rendered to Canada, in world war I and world war II, as president of the national research council, as a member of the joint Canadian-American committee on defence, and in other organizations, and particularly during the last 10 years as chairman of the international joint commission. In that regard, Mr. Speaker, he was fully qualified to occupy the position because of his capabilities as a scientist, an engineer and an administrator.

With respect to the announcement made by the Prime Minister, I must frankly say that while we in this group recognize the record of the gentleman who has been appointed, in the Department of External Affairs, as an ambassador and in other posts, we say most emphatically that this position requires a man of at least equal ability with respect to scientific and engineering knowledge, and as an administrator, to General McNaughton, and we are of the opinion that Mr. Heeney does not fulfil those requirements.

(Translation):

SHIPPING

ST. LAWRENCE RIVER—STATEMENT ON STRIKE OF PILOTS

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, certain questions were asked yesterday about the work stoppage of the St. Lawrence pilots and as to the legality of that stoppage. When those questions were being asked, I was having separate talks with the shipowners and the representatives of the pilots.

From a legal point of view, pilots are not party to individual or collective contracts, but hold positions which under the government certificate constitute a monopoly. The government collects fees from the shipowners, which are afterwards handed over to the pilots to be divided among themselves. Section 329 of the Canada Shipping Act and pilotage regulations enacted by order in council under that section specifically provide that pilots must carry out their pilotage duties; their present refusal to do so is therefore illegal.

Yesterday I met with representatives of the Shipping Federation of Canada and of the Canadian Shipowners Association; meanwhile, officials of my department were in touch with the Dominion Marine Association. Those associations represent all the shipowners involved. They claim that since the work stoppage is illegal, they would greatly jeopardize their future situation if they were to enter into direct negotiations with the pilots before there is any indication that the stoppage is nearly over. They stated that they have had a lot of trouble with the pilots in that connection these past few years; in their opinion, the consequences of such steps taken by the pilots in recent years are so serious that the situation calls for a public investigation.

They informed me that, under the circumstances, they will do everything they can to continue the operation of their ships without the help of pilots, even though that may cause some delay; in their opinion, such action will not interfere with shipping. They stated that, in their opinion, the situation has reached the point where they have to accept a continuous suspension of work, if need be, in their own long-term interest. As for me, I asked them not to take an unyielding attitude in this matter and I expressed the hope that they would agree to another meeting with the pilots.

I then met the pilots' federation representatives from the main pilotage districts of Quebec, Montreal, Montreal harbour, Cornwall and Kingston. I explained the shipowners' stand to them and I gave them to understand that they were violating the clauses of the Canada Shipping Act and the pilotage regulations established thereunder in refusing to perform their duties, adding that I greatly regretted that they had seen fit to take that step on a short twenty-four hours' notice. I also conveyed to them my feeling that the shipowners no doubt firmly intended to see that the ships' movement was not interrupted.

In view of the fact that the pilots had mentioned certain delays and difficulties in connection with their working conditions, we looked into the background in that regard and I pointed out to them that out of the five

main points concerning working conditions which, in their opinion, were pending, we had already accepted two and agreed in principle to two more by undertaking to work out the details of their application, and that we also had decided to pursue with them the consideration of the fifth point. I also pointed out to them that there had been no undue delay in the consideration of those matters, that, in fact, the pilots had submitted their brief less than two months ago and that several meetings and interviews had taken place since then.

We found that the main issue the pilots wished to settle concerned their income and the increase asked for by three pilotage districts. I informed them that in view of the present level of income and working conditions, their requests in that respect had seemed exaggerated, not only to the shipowners but to myself, and I asked them to meet my officials in order to study these requests in greater detail and to see if they could be modified. The requested increase in fees to be paid by the vessels came to approximately 18 per cent in the Cornwall and Montreal districts, and it remained practically the same during the following discussions, although it seemed that an adjustment could be made with regard to Montreal harbour. No important issue concerning income was involved in the Quebec and Kingston districts.

I asked the pilots to put an end to their work stoppage, in view of the fact that the pilots' federation had assured me that in such a case the shipping federation would be willing to meet immediately the pilots' representatives to study new propositions with regard to the whole question and the income the shipping federation is willing to give the pilots. Up to now the pilots' representatives have not indicated they were willing to change the requests I have mentioned or to put an end to the work stoppage.

I regret that situation because I firmly believe that the shipowners intention not to stop the ships movement can only be damaging to the pilots. I should like to add also that I believe the time has come to undertake a general investigation on all questions relating to pilotage, and I expect to submit later some proposals to be examined by the government. However, I will continue to seek a solution to this problem, and after studying further the results of yesterday's meetings I will continue to keep in touch with the various agencies involved.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, it is obvious, considering what the minister just said, that he was not successful in his effort to get the pilots and ship owners together with a view to settling the dispute. It is also apparent that, notwithstanding what the minister said, namely that the pilots have held meetings with only 24 hours notice is not true, because, according to the pilots themselves they have been discussing the matter with the department since February last. Any way, Mr. Speaker, it is quite clear that this dispute is very prejudicial to the Canadian economy, as well as to the passengers who are now on the *Empress of Britain* quite apart from being a menace to navigation, of which the department is certainly aware.

There were already two ships, the *Consuelo* and another one, the name of which I forget—

(Text):

Mr. Tremblay: The "Pearson Boat"!

(Translation):

Mr. Chevrier: —which ran aground, causing considerable damage, because of the absence of a St. Lawrence pilot.

Moreover, Mr. Speaker, there is at this time a ship carrying flammable goods sailing up the St. Lawrence. I wonder whether the Department of Transport gave some consideration to the menace this represents for the communities and towns past which this vessel will sail.

Another most important point is that the minister, after having, through his officials, invited both parties to meet, did not ask the pilots to go to Montreal to discuss the situation with the shipowners.

I know that yesterday he asked them to come here, because both parties had apparently not succeeded in arranging a meeting. Now, when they arrived here, the minister told them that the strike was illegal, that they should go back to work and free the *Empress of Britain*, adding that their claims were excessive and suggesting that they review their requests.

Everybody knows that the main points under dispute are rather serious and significant, and that the main point concerns a rate increase. But what the minister seems to forget is that the tonnage of St. Lawrence vessels has developed considerably, whereas the pilots' rates have scarcely been raised. Now, it is true that on the St. Lawrence seaway ships of 2,500 to 3,000 tons have largely disappeared, so that today pilots have to steer vessels of 20,000, 25,000 and under certain circumstances, even 28,000 tons.

That is one of the main reasons why they complain of not having benefited from a rate increase proportionate to the expansion of tonnage. I am more particularly thinking of

the Montreal and Cornwall pilots. I notice that my hon. friend from Stormont (Mr. Campbell) is not in his seat—

Mr. Johnson: Neither are you in your seat, I mean in Laurier.

Mr. Chevrier: —because, when the question of pilots was raised last year, the hon. member for Stormont stated that there were none in his constituency. Yet, Mr. Speaker —

(Text):

Mr. Speaker: Order. I seem to hear more voices than one. Perhaps I am mistaken, but I think not.

(Translation):

Mr. Chevrier: However, Mr. Speaker, the cost of pilotage in that district decreased by 300 per cent, if we take into account the increase in tonnage, and those figures bear no resemblance whatsoever to those given by the minister.

Now, according to the minister, an increase of 16 per cent is sought by the pilots travelling between Montreal and Quebec. And—I am not sure whether the minister mentioned it in the statement he just made—I understand the pilots pledged the minister their word that they would sign an agreement for a period of three years, under the provision that the tariffs be increased, and they have agreed to give full consideration to the whole issue of pilotage during that period of three years.

I need not tell the house, Mr. Speaker, that the course followed for the settlement of this dispute is completely outmoded.

I appreciate that the minister is subject to the clauses of the Canada Shipping Act and that, as the authority over pilotage, he must comply with the law. But this dispute should be settled in the same way as all others.

(Text):

Mr. Speaker: Order. The discussion is rather unusual. The subject is complicated, it is true, and the hon. member for Laurier is discussing it in considerable detail and going somewhat beyond the statement made by the minister. I have not interfered, but I feel that the hon. member should keep his comments within as narrow a compass as he reasonably can, and that he should also be prepared to agree, with respect to the new matter he has raised, that the minister, if he wishes to do so, is free to comment on that matter.

(Translation):

Mr. Chevrier: I shall try to abide by your ruling, Mr. Speaker, but it should not be forgotten that the minister made a long statement, obviously prepared by his officials and dealing with the circumstances of the interview he had with the pilots.

[Mr. Chevrier.]

Under the circumstances it should not be forgotten that the opposition has the right to reply to certain allegations made by the minister. He said, for instance, that the pilots had only given 24-hour notice before holding their meetings, which is incorrect, for the pilots have been requesting since last February to meet with the officials of the transport department and to have an interview with the minister himself, because they were unable to come to an agreement with the shipowners.

Now, in short, Mr. Speaker, the minister was arrogant with the pilots yesterday. He—

(Text):

Mr. Speaker: Order. The hon. member's comment goes beyond the ordinary comment that is permissible on ministerial statements, and I would ask him not to make a debate of this matter. It is true that the circumstances recounted by the minister in his statement constituted a narrative of some length and complication, and that if one commented on everything he said it might take considerable time, but that does not make this an opportunity for a debate. I would ask the hon. member for Laurier, who has had very full time, in fact more time than the minister himself took, to bring his remarks to a close.

(Translation):

Mr. Balcer: Mr. Speaker, I rise on a point of order.

(Text):

Mr. Speaker: Order. Perhaps the minister would indicate why he is rising.

(Translation):

Mr. Balcer: I rise on a point of order. I do not object to my hon. friend commenting on my statement and explaining in this house the opposition's stand concerning pilotage. But when he states that this or that statement is false and that I showed arrogance etc., I submit that it has nothing to do with the statement I just made, and I feel that the hon. member for Laurier is out of order.

He can comment upon my statement; but he has raised three or four points which are absolutely false, or at least do not give a true picture of what has happened.

However, I should like to have the privilege of answering him so that the house may not be left under a false impression and faced with certain allegations which are not borne out by the facts.

(Text):

Mr. Speaker: I accept the minister's view. As a matter of fact I had risen to indicate to the hon. member for Laurier that I too

felt he had gone too far and I have also indicated to the hon. member for Laurier that I feel it would be proper to permit the Minister of Transport to comment when the hon. member finishes.

(Translation):

Mr. Chevrier: Mr. Speaker, there is no point of order at all. The minister evidently is not aware of the rules—

(Text):

Mr. Speaker: Order. Perhaps the hon. member would complete his statement. The point of order has been disposed of.

(Translation):

Mr. Chevrier: Well, Mr. Speaker, there are three important points which are apparent from the minister's statement. First, pilots and shipowners—

Mr. Speaker, may I ask you to call the hon. members to order? It seems to me—

(Text):

Mr. Speaker: Order. No contribution is being made to the conduct of the affairs of the house if hon. members make it difficult for the member who has the floor to carry on his remarks.

(Translation):

Mr. Chevrier: Mr. Speaker, we on this side of the house have listened closely to the minister's statement and I think—

An hon. Member: Because it made sense.

Mr. Chevrier: I think it is only proper that a member speaking on behalf of the opposition should be listened to in the same way.

In conclusion, I should like to say that three points of capital importance are involved in this dispute. First of all, this strike is greatly prejudicial to the Canadian economy; second, it is a cause of serious inconvenience to travellers; and last, but most important, this dispute endangers the safety of navigation on the St. Lawrence.

I say, with all due respect to the minister, and I think he will agree, that he failed to take those three points into account when he met with the parties.

In view of what has been said, I urge him to bring once again the pilots and shipowners together so that they may reach an agreement.

(Text):

Mr. Speaker: Would the minister wish to comment now or to wait until I have heard the member for Port Arthur?

Mr. Balcer: I can comment now, Mr. Speaker.

(Translation):

Mr. Balcer: Mr. Speaker, the hon. member for Laurier raised three points about which I am in full agreement with him. That is why I met the shipowners and the pilots yesterday. I asked the pilots to return to work and I asked the owners to be more flexible and try to understand the situation.

I should now like to reply to the statement made by the hon. member for Laurier, to the effect that I treated the pilots with arrogance. I do not think there has ever been a minister of transport as patient with the pilots as I have been and I should add that the pilots have never been so well treated as they have been these last three years.

Yesterday I had the opportunity of listing about 60 items of things we have done for the pilots. I think my predecessor and myself have always treated the pilots with fairness.

The only point I represented to the pilots yesterday is that they will be the first to suffer from the strike, which is illegal; they are doing damage to themselves. I think they exaggerate.

I asked them to reconsider the situation, to modify their claims to make them reasonable, and to try to reduce them to a minimum, taking into account not only their personal interest but that of the public at large. On that we parted. My officials met the pilots and discussed with them. As far as I am concerned I am prepared to meet them anytime. I asked them to consider that point.

As far as the 24-hour notice is concerned, I received word from the pilots that the strike was scheduled to begin Thursday night. Now, I received their telegram Wednesday night, and the shipowners received a similar telegram at 5.15 p.m.

This is too short a notice and I submit that in view of that short notice, several people have suffered a great deal of inconvenience, which they would not have had to suffer if notice had been given earlier.

I sincerely believe that the owners and the pilots should consider the problem calmly and try to reach an agreement in order to contribute their share to maintaining that feeling of optimism which now prevails in the economy of the country, and thus work together for the prosperity of Canada.

(Text):

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, it is very apparent that the co-operation the minister seeks has been made somewhat more difficult by the fact that he has

given an indication that the strike is illegal. It seems to me it would follow that if it is an illegal strike he should be suggesting not so much that there is going to be a general investigation into pilotage but what particular steps he intends to take to make sure that the river is opened again to traffic.

I never anticipated that I would be sympathetic to the shipping federation of Canada in a situation, but it does seem to me that in this particular case the pilots gave inadequate indication both as to their grievances and as to the time involved. I certainly have a great deal of sympathy with the Department of Transport in its general pilotage problem as reflected by the situation in this part of the river.

The minister probably knows that there are at least four different systems of pilotage on the great lakes and the St. Lawrence seaway, and one of the idiosyncrasies is that the particular group on strike at the present time seems to be a traditional or almost a family group. I can only say that their approach, in either union terms or terms of their work, is unique and unlike the pattern of the rest of the system. If the minister is indicating he is going to hold an inquiry that is to be all-embracing, to investigate pilotage on the whole system, I think we on the upper lakes would be interested, as would everyone else. I believe there is a certain anachronism in the step-up that exists on the river system. I hope this could be cleared up before we are left with a very bad situation to start the shipping season.

It seems to me that responsibility for that solution finally must devolve upon the minister. I suggest to him that in this particular area he get the people from the Canada labour relations board to work immediately, even in an unofficial way, in order to get some kind of settlement going rather than continue with this indefinite basis under which we have an illegal strike indicated, and at the same time a rather pious hope by the minister that the strikers and the companies will get together.

(Translation):

Mr. Chevrier: Mr. Speaker, may I put a question to the Minister of Transport. In view of the dispute mentioned a moment ago, does the minister intend to afford any protection to the riparian localities from the hazard of ships carrying flammable and explosive material?

[Mr. Fisher.]

Mr. Balcer: Mr. Speaker, the Department of Transport continues to assume responsibility for shipping in the St. Lawrence river. We intend to maintain all navigational aids and to enforce all regulations presently in force in that section of Canada's navigable waters.

[*Later:*]

DAMAGE TO TELEPHONE CABLE

Mr. Gabriel Roberge (Megantic): Mr. Speaker, I should like to ask the Minister of Transport a supplementary question. Have the officials of the Department of Transport carried out an investigation in the breakage of a telephone cable by the steamship *Consuelo,* near Quebec city, and can the minister report to the house on that matter?

Hon. Leon Balcer (Minister of Transport): No, Mr. Speaker, I have nothing to report. I could not say at this time whether it will be officials of my department who will investigate the breakage of that cable.

(Text):

BUSINESS OF THE HOUSE

INQUIRY AS TO LEGISLATIVE PROGRAM BEFORE EASTER RECESS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he would follow the course normally followed at this time of the session by him and his predecessors, and inform the house as to the date of the beginning of the Easter recess and the measures which the government hopes to have passed before that recess, as well as the order of priority attached to those measures.

Right Hon. J. G. Diefenbaker (Prime Minister): I will give consideration to that question, Mr. Speaker. I will look over the order paper and endeavour to give a general outline of some of the matters that would be brought before the house.

Mr. H. W. Herridge (Kootenay West): May I ask the Prime Minister a supplementary question. It is a great convenience to western members to know the date of the Easter recess. When the Prime Minister is giving the other information, will he tell us when the Easter recess will commence?

Mr. Diefenbaker: I think the Easter recess generally commences some days in advance of Good Friday.

FISHERIES

MARITIME PROVINCES—REQUEST FOR EARLIER OPENING OF LOBSTER SEASON

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I wish to direct a question to the Minister of Fisheries. Since the lobster fishermen of district 7B in Nova Scotia, New Brunswick and Prince Edward Island lost the first three weeks of the 1961 fishing season because of abnormal ice conditions, would the minister consider advancing the opening date for the district concerned for this year from May 1 to April 24 or April 25, in order to provide these fishermen with an opportunity to resume their fishing operations at an earlier date?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, my department has considered this possibility. As the hon. member will recall, although lobster fishing in district 7B opened late last year it also continued a few days later than normal, with the result that the average fisherman had a normal year. There were a few areas which were exceptions to this rule. We have considered the possibility the hon. member has suggested, but have found that it would not be practical because full advantage could not be taken of such an early opening in all districts and this would unfairly spread the advantage, if any, which might accrue from an early opening.

It is expected, therefore, that the season in district 7B will open on May 1, which is the normal time.

SEALING—ACTION TO PROTECT CANADIAN HUNTERS ON EAST COAST

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I wish to direct a question to the Minister of Justice or, in his absence, to his parliamentary secretary. Would the minister please advise if he is in a position to report on the complaints received by the Royal Canadian Mounted Police from Captain Moss, of the sealing ship *North Star*, that his men had been attacked by pirates who took rifles from his men and stole their seal pelts? Will he comment also on an article in this morning's *Globe and Mail* to the effect that Captain James Gillette of the *Arctic Sealer* reported that five helicopters spent three days last week taking pelts belonging to his ship?

Mr. Thomas M. Bell (Parliamentary Secretary to the Minister of Justice): I am not sure of these allegations, but this matter is under active consideration by the Royal Canadian Mounted Police. When the investigation has made sufficient progress I shall be pleased to see that a report is given to the house.

Mr. J. A. McGrath (St. John's East): Mr. Speaker, would the Minister of Fisheries be prepared to comment on the hon. member's question?

Hon. J. A. MacLean (Minister of Fisheries): I could add, in reply, that the officers of my department have also gone by helicopter to the area from which these allegations arose to investigate the possibility of cancelling licences for sealing operations, if such a course should be advisable.

INQUIRY FOR RETURN

BOOKS BANNED ENTRY INTO CANADA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of National Revenue. On February 7, as recorded at page 631 of *Hansard*, my question No. 124 concerning books banned or prohibited entry into Canada by the Department of National Revenue was passed as an order for return. I know the minister has been checking over this list for me, but time is growing short. Is the minister now in a position to comply with the order of the house?

Hon. George C. Nowlan (Minister of National Revenue): I will check on this order and advise the house in a short time.

(Translation):

BRIDGES

MONTREAL—INQUIRY AS TO DISCUSSIONS WITH CIVIC REPRESENTATIVES

On the orders of the day:

Mr. Gerard Loiselle (St. Ann): Mr. Speaker, I should like to put a question to the Minister of Transport. Can he tell the house if the meeting between the representatives of his department and those of the provincial government of Quebec and the city of Montreal in regard to the abolition of tolls on bridges was held yesterday, and if so what were the results of these talks?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the hon. member for Chambly-Rouville (Mr. Johnson) advised me of his intention to ask such a question. I want to tell him and also the hon. member for St. Ann that following a conversation between the premier of the province of Quebec, Mr. Lesage, and myself, it was agreed that the meeting which was to be held yesterday be postponed to Wednesday afternoon in Ottawa.

Inquiries of the Ministry

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to ask a supplementary question. Could the Minister of Transport tell the house if the delay by the provincial government of Quebec in accepting the conditions is due to the very important problems facing the government of Quebec and the failure of its policy?

(Text):

HOUSING

C.M.H.C. CHECK ON FINANCIAL RESPONSIBILITY OF CONTRACTORS

On the orders of the day:

Mr. J. R. Garland (Nipissing): I have a question for the Minister of Public Works. I should like to ask him what precautions, if any, Central Mortgage and Housing Corporation takes to ensure that building contractors getting the benefits of N.H.A. lending are financially responsible, thereby giving some assurance that innocent home builders will not lose their deposit money.

Hon. D. J. Walker (Minister of Public Works): It would seem to be quite a detailed question, and I would be very happy to accept it as notice.

CANADIAN BROADCASTING CORPORATION

HOCKEY—REQUEST FOR TELEVISION COVERAGE OF ALLAN CUP GAMES

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to direct a question to the Minister of National Revenue. Since for the first time in 20 years the Allan cup final will be contested between a western team and a team from the province of Quebec, the powerful Montreal Olympics, and that the final series will be played entirely in the west, will the minister ask the C.B.C. to give T.V. coverage for these games of national interest?

Hon. George C. Nowlan (Minister of National Revenue): I shall take that matter up with the C.B.C. but in view of the fact that another important series is starting tonight and may run on for two weeks, I am not sure whether the C.B.C. will be able to make commitments with respect to alternative programs, but I shall advise the house in due course.

Mr. D. M. Fisher (Port Arthur): On a point of order, Mr. Speaker, the Montreal Olympics are not the eastern champions. A team from northern Ontario is still fighting in the series.

[Mr. Balcer.]

Mr. Speaker: I am afraid hon. members will be asking us to place bets if this goes on.

PUBLIC BUILDINGS

BROCKVILLE, ONT.—INQUIRY AS TO DATE OF TENDER CALL

On the orders of the day:

Mr. John R. Matheson (Leeds): I wish to direct a question to the Minister of Public Works. Can the minister indicate the proposed date of the tender call for construction of the new federal building in Brockville?

Hon. D. J. Walker (Minister of Public Works): The answer is today.

(Translation):

HOUSE OF COMMONS

QUALIFICATIONS OF MINISTER OF MINES AND TECHNICAL SURVEYS

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I should like to put a question to the Prime Minister. According to the *Conservateur Canadien* —

An hon. Member: Order.

Mr. Denis: Do you hear, Mr. Speaker? You know that voice.

According to the *Conservateur Canadien*, the Minister of Mines and Technical Surveys (Mr. Flynn) was a lawyer and a local attorney for the wartime prices and trade board. If such was the case, does the Prime Minister think of his Minister of Mines and Technical Surveys as one of those wartime bureaucrats that he criticized lately, and for similar reasons? May I expect an answer?

An hon. Member: He does not understand French very well.

Mr. Johnson: You do not understand French very well yourself.

(Text):

Mr. Martin (Essex East): Surely the Prime Minister will answer that.

Mr. Walker: Not even the translators can.

Mr. Speaker: The hon. member has asked his question. I am not responsible for seeing that he gets a reply.

Mr. Pigeon: It is not an intelligent question.

Mr. Speaker: If the hon. member for Chambly-Rouville wishes to speak, he will take the floor.

Some hon. Members: Hear, hear.

Mr. Maurice Johnson (Chambly-Rouville): It is a question of privilege, Mr. Speaker. I was just taking up a remark by an hon. member of the opposition which was a rather unethical reflection on the Prime Minister.

Mr. Speaker: Well, the hon. member has now taken the proper course, and if he wishes to pursue the matter I shall be glad to hear him.

Mr. Pearson: Go ahead.

(Translation):

Mr. Johnson: Mr. Speaker, there had to be among the Liberal members a wise guy to mention the Prime Minister's ability to speak French. I should like to make sure, first, whether the hon. member speaks French correctly himself.

Mr. Fortin: That is easy—he knows neither French nor English.

[*Later:*]

USE OF TRANSPORT DEPARTMENT PLANES FOR ELECTION PURPOSES

On the orders of the day:

Mr. Alexis Caron (Hull): May I ask the Minister of Transport a question? Could he tell us whether, since he took over the department, any person or organization has undertaken to pay or indeed has paid for the use of government planes for any purpose? If so, which persons or organizations?

(Text):

Mr. Speaker: I think another question for the order paper is indicated.

PENITENTIARIES

BRITISH COLUMBIA—CONSTRUCTION OF BUILDING TO HOUSE CONVICTED DOUKHOBORS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Minister of Public Works, and ask whether plans have been completed, tenders called and contracts let for the construction of a building to confine Doukhobors in the Agassiz area, convicted under the Criminal Code?

Hon. D. J. Walker (Minister of Public Works): I would be very happy to accept this question as notice.

[*Later:*]

Mr. Winch: Mr. Speaker, I should like to address a question to the Minister of Justice—may I say that I am glad the Minister of Public Works is here—or in the minister's absence could I direct my question to the Acting Minister of Justice or the parliamentary secretary. Could I ask on what basis, in view of the emergency, an award has been made for the construction of the Doukhobor restraining building in the area of Agassiz, not through the Department of Public Works on contract but by a t.m. plus profit contract through the department.

Mr. Speaker: Order. I think questions about contracts, and so on, might very well go on the order paper rather than taking up the time of the house.

HOUSE OF COMMONS

BELLECHASSE CONSTITUENCY—REQUEST FOR REPORT ON INVESTIGATION

On the orders of the day:

Mr. Guy Rouleau (Dollard): I should like to direct a question to the Acting Minister of Justice. Can the acting minister give us a report about the inquiry of the R.C.M.P. in the constituency of Bellechasse, which was announced by the Secretary of State on March 26 as having top priority?

Hon. W. J. Browne (Acting Minister of Justice): I shall take that question as notice.

AIR TRANSPORT

ADDITIONAL TRANSCONTINENTAL SERVICE BY C.P.A.

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Prime Minister and ask him whether the government intends to grant an additional transcontinental air service to C.P.A., as reported in Saturday's edition of the *Financial Post*?

Right Hon. J. G. Diefenbaker (Prime Minister): Whenever any decision is made with regard to such a matter it will be brought to the attention of the house. It will not be announced through the medium of speculative stories in any newspaper.

Mr. Chevrier: As a supplementary question to the Prime Minister, has an application been made to the cabinet under the Aeronautics Act for the purpose I have mentioned, namely to give additional transcontinental air services to C.P.A.?

Mr. Diefenbaker: The answer is no.

LABOUR CONDITIONS

ANNUAL HOLIDAYS FOR GOVERNMENT ANNUITIES REPRESENTATIVES

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to direct a question to the Acting Minister of Labour, or to the parliamentary secretary to the Minister of Labour. In view of the fact that many people working on a commission basis now receive annual holidays with pay, is the minister in a position to

explain why Canadian government annuities representatives are not in receipt of annual holidays with pay?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): I shall take that question as notice.

COAL

MARITIME PROVINCES—FURTHER UTILIZATION BY LOCAL INDUSTRIES

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I wish to direct a question to the Prime Minister. Will the Prime Minister inform the house whether he has received representations from Premier Stanfield of Nova Scotia and Premier Robichaud of New Brunswick with regard to further utilization of maritime coal by local industries? If so, will the Prime Minister advise the house what action, if any, has been taken to implement the suggestions or recommendations submitted in the premiers' brief?

Right Hon. J. G. Diefenbaker (Prime Minister): I shall take that question as notice.

(Translation):

POST OFFICE DEPARTMENT

REQUEST FOR EXPLANATION OF DEFICIT

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I should like to direct a question to the Postmaster General. Since he is in the Prime Minister's confidence—

Mr. Tremblay: Order.

Mr. Denis: —does the minister feel he will be able to explain to the house the deficit of over $4 million shown by his department?

Mr. Tremblay: Order.

(Text):

Mr. Speaker: Order. I am sorry, but for some time I have heard interruptions from the far end of the chamber which I think are not in the best interests of the dignity and conduct of business of this house and I would ask hon. members, without mentioning any names, who feel that the cap fits, to better observe the proprieties. I make no apology for rising because, if hon. members will reflect on the course of our proceedings during the past few days, I think they will agree that we have a dignity to maintain in the eyes of the country, and also we have work to do.

[Mr. Regier.]

(Translation):

Mr. J. N. Tremblay (Roberval): Mr. Speaker, I rise on a question of privilege concerning the comments you have just made.

I should like to inform you, with all due respect, that I was the one who objected to the question that the hon. member for St. Denis was about to ask, because, knowing the kind of questions he has been asking for four years, I was sure that, as usual, it would be an insignificant one designed simply to waste the time of the house and its members.

(Text):

Mr. Speaker: I shall always be glad to hear a point of order from the hon. member, but I can scarcely make the assumption in advance that a point of order will arise.

(Translation):

[*Later:*]

Mr. Denis: Mr. Speaker, now that we have silence in the house, may I repeat my question to the Postmaster General? Since he is in the Prime Minister's confidence, does he feel he will be able to explain to the house—

Mr. Tremblay: Order.

Mr. Denis: —before the end of the session the deficit of more than $4 million shown by his department?

Mr. Tremblay: Order.

An hon. Member: The hon. member for Roberval was right.

(Text):

Mr. Speaker: Perhaps the minister would permit me to say that questions of that kind relating to financial affairs are normally dealt with on the estimates and in the budget. The invitation to deal with the finances of a department in general on the orders of the day is quite improper and out of order.

Some hon. Members: Hear, hear.

Mr. Denis: I think it should be done before dissolution of parliament.

Mr. Speaker: I appreciate the hon. member's anxiety to get on with it, but he is out of order.

AIRPORTS

DORVAL—ARREST OF PORTERS CARRYING BAGGAGE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, in the light of a telegram I have received from the president of the professional Sky-Caps I should like to direct a question to the Minister of Transport. My question is this.

Is it a fact that the president of the professional Sky-Caps, who has been a porter at Dorval airport for some eight or nine years, and 14 of his fellow porters have been arrested by the R.C.M.P. for carrying passengers' bags at the terminal? If so, can the minister give the reason for this arrest, and did the minister notify the president that he could no longer work at Dorval without his written permission?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker—

Mr. Speaker: Order. Did the hon. member give notice of the question?

Mr. Balcer: I think, Mr. Speaker, I can answer the question simply. I would like to state that following the great deal of trouble we had at Dorval airport the department decided to bring porters under the civil service commission. In so doing the department invited all the porters engaged in the carrying of bags at Dorval airport to submit applications. Over 40 of the Sky-Caps have submitted those applications and they have been hired; another three refused to take up this offer of the department, and another four or five insisted on certain other conditions and refused to accept the positions offered to them.

This group of professional Sky-Caps kept on working at the airport while a decision was being obtained from the court on a writ of injunction. Pending the decision the department did not do anything as far as these porters were concerned. However, now that a decision on the writ has been rendered, these porters have been notified that they should not carry on their activities at the airport as they have refused the positions offered to them by the department.

I do not know about the arrest of these porters. I just wanted to give the situation to the house and make it very clear that we have offered jobs to all the porters who were working at the airport during the last year.

Mr. Chevrier: May I ask a supplementary question arising out of the statement the minister has made. It is said that a writ of prohibition has been issued by the superior court against the Department of Transport, I understand. Does the minister not think that pending the decision of the court those 14 men who have not accepted the proposal of the minister should be allowed to carry bags at the airport?

Mr. Balcer: As I said, Mr. Speaker, a decision has been rendered, and following that decision these people were told they had no business working there.

Inquiries of the Ministry

TRADE

STUDY OF SUBMISSIONS OF EUROPEAN TRADE UNION ECONOMISTS

On the orders of the day:

Mr. John R. Matheson (Leeds): Mr. Speaker, may I address a question to the parliamentary secretary to the Minister of Labour, in the absence of the minister. Is the Department of Labour studying the submissions of the trade union economists from The Netherlands, Sweden, France and the United Kingdom who met recently at Niagara Falls and discussed the methods whereby labour, management and government in Europe have contrived to co-operate more effectively in the public interest?

Mr. Speaker: Order. The hon. member poses a very interesting question in general terms, but perhaps it would be more appropriately raised in debate.

AGRICULTURE

BUTTER—DISPOSAL OF SURPLUS

On the orders of the day:

Mr. John Charlton (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, yesterday on the orders of the day the hon. member for Leeds asked the following question:

> —I should like to address a question to the parliamentary secretary. It arises out of the answer given on March 8, 1962 to this question:
>
> What is the age of the oldest butter now in storage?
>
> The answer given was "August, 1960". Would the parliamentary secretary to the Minister of Agriculture advise the house whether the government intends to place this butter, produced in August, 1960, on the market?

The answer, Mr. Speaker, is no, not as butter. At the present time the butter being offered for sale was manufactured in 1961 or later. All butter manufactured prior to 1961 has been or is in the process of being converted to butter oil.

PIPE LINES

NORTHERN ONTARIO CORPORATION—EFFECT OF MUNICIPAL TAXATION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I would like to ask the minister responsible for Northern Ontario Pipe Line Crown Corporation a question which stems from the recent legislation passed by the Ontario legislature giving municipalities the right to tax pipe lines. I wish to ask the minister what effect this legislation has upon the revenues of Northern Ontario Pipe Line Crown Corporation.

Inquiries of the Ministry

Mr. Speaker: Order. I suggest the question might go on the order paper. I do not expect that the hon. member really looked for an answer off the cuff.

INDIAN AFFAIRS

NORTHERN B.C.—ALLEGED LACK OF MEDICAL SERVICE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, before the orders of the day are called I wonder if I could direct a question to the Minister of National Health and Welfare and ask the minister whether his attention has been drawn to a news item in yesterday's Ottawa *Citizen* emanating from Fort Nelson, British Columbia, which indicates that a Dr. Raymond March said yesterday that several children died on remote northern Indian reserves this winter because a doctor could not reach them in time. Has the minister any comment to make thereon?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I have not seen this article and as a consequence have no comment to make. However, the house will recall that the hon. member for Skeena and the hon. member for Bonavista-Twillingate have taken up with me on previous occasions the alleged problems of the Indians of the Prophet river reserve in British Columbia. This morning I received the following further report in my capacity as Acting Minister of Citizenship and Immigration.

The report from the British Columbia Indian commissioner was received by the department this morning. The commissioner reports that as of March 30, the day he visited the Prophet river community, there was no sickness in the community itself and only two of the 59 Indians living there were still in the Fort Nelson hospital.

The commissioner questioned each of the families living at Prophet river as to conditions prevailing on the week end of March 17, when the epidemic of sickness occurred. Two families are on permanent assistance, three heads of families have trap lines, and five others have been employed at a saw mill a short distance from where they live. All heads of families confirmed that they had not been suffering from any shortage of food prior to the time when they were taken ill.

The agency superintendent or his representative has visited the community each month, except for December, since last October. The provincial public health nurse visited early in March and reported nothing usual. In addition, a school teacher has lived with the Indians in the community at Prophet river throughout the winter, and has been in a position to report any health or welfare conditions requiring attention. Unfortunately she was absent from Prophet river on week-end leave Saturday, March 17, when the epidemic developed. The Indians therefore telephoned the doctor in Fort Nelson, Dr. March, who visited Prophet river, taking along with him the editor of the Fort Nelson newspaper.

Dr. March deserves a great deal of credit for the prompt action he took in coping with the situation which he found on arrival at Prophet river on March 18. His prompt and effective action undoubtedly was responsible for the rapid recovery of the Indians who were overtaken by illness.

At the same time it seems clear from reports received from the commissioner, from the provincial health authorities and from other independent sources that charges of malnutrition among this group of Indians, and accusations of neglect on the part of responsible officials, were not justified.

HOUSE OF COMMONS

ESTABLISHMENT OF ELECTORAL BOUNDARIES COMMISSION

The house resumed, from Monday, April 9, consideration in committee of the following resolution—Mr. Diefenbaker—Mr. Martineau in the chair:

That it is expedient to introduce a measure respecting the establishment of an electoral boundaries commission for the readjustment of representation in the House of Commons; to provide that certain members of the commission may be paid such per diem allowance as may be fixed by the governor in council; to provide for the payment of reasonable travelling and living expenses for the members of the commission; and to provide also that the commission may engage the services of such technical advisers and other staff, including a person to act as secretary to the commission, as it deems necessary.

Mr. Pickersgill: I do not intend to traverse today any of the ground I covered last evening except to repeat the final point I made, because unless I do so I think what I have to say would lack continuity.

I had pointed out that in almost every case since confederation, except in 1945 when a constitutional amendment had been made so that the constitution could be set aside until after the war, after the completion of the census there has been no election without first of all a redistribution. The only years in which an election came soon after the year for the taking of the census were 1872, 1882 and, of course, 1911, if one regards the taking of the census as being merely the day on which the information is collected from the population. If the date was June 1, as it is

nowadays, that would presumably have been done before the election was held; I have not checked to see. However, I think it is clear that in the 1911 case the census had not been completed.

I pointed out last night that if the government had been seriously concerned about carrying out the pledge made by the Prime Minister in 1957, this legislation would have been introduced for the first time at least two years ago. I say this because when one is altering the pattern of 90 years and dealing with one of the most fundamental features of our constitution, the composition of this house, it is evident that no hasty action ought to be taken at a time which a lot of people may regard—though I have never said so—as being somewhere near the end of this parliament. These steps should have been taken in such time as to allow plenty of opportunity for appropriate consideration not only by the house but also by the public, whose servants we are, of this bill by virtue of which a fundamental and important departure is to be made.

The right course would have been to have introduced this legislation in 1960 at the latest, though not to have attempted to pass it in that year. As has been done with regard to many other important bills, it should have been left on the table for a year so the public might have given proper consideration to it. Then the government could have introduced the bill again in the following year, almost certainly in an amended form, and the matter could have been disposed of by this house and the other place.

I also pointed out that though of course the government has to take the initiative in this matter, first because the Prime Minister is the leader of the house and, second, because the expenditure of money is involved in connection with payment to a commission, the bill nevertheless should in no other respects be regarded as a government measure. We are dealing with a measure which is of no more concern, or should be of no more concern, to the government than it is to anyone else in the house. I am sure the Prime Minister will agree with that proposition, though he may not agree with many other of the things I say.

I maintain, therefore, that this resolution on which the proposed bill is to be founded should either have been introduced two years ago or, if it is to be introduced at this late date, that we should have an assurance from the Prime Minister that it is going to be effective and that unless some unforeseen crisis occurs it will be put into operation and the constitution complied with before a general election takes place. Otherwise the time of parliament is being taken wantonly and unnecessarily in an attempt hastily to put legislation on the statute books which cannot come into operation until after there has been a general election, and which properly should be considered by a new parliament with a fresh mandate, not by a parliament in the kind of atmosphere which unfortunately has characterized far too much of this session.

An hon. Member: You want to go to the people now.

Mr. Pickersgill: The hon. gentleman seems to be very concerned about going to the people. I suggest we were sent here to do the business of the country in this house, and if we would spend our time doing the business of the country in this house in the way we have been sent to do it, instead of having all this agitation outside the house about an election, it would be very much more profitable. It would also be much more in accord with the correct way to conduct parliament.

Mr. Jones: Two flags and two election dates.

Mr. Pickersgill: The hon. member says "Two flags and two election dates". What we have had for the last three months is the spectacle of the Prime Minister of this country like a little girl among the flowers in a meadow in the summer picking the petals from a flower and saying "He loves me, he loves me not—shall we have an election, or shall we not?" For three months that performance has been going on all over Canada while the business of the country has been neglected.

I would draw the attention of the hon. member for Saskatoon to the fact that he provoked that irrelevant observation by his intervention.

Mr. Jones: I might tell the hon. member that he seems to have plenty of irrelevancies without my provoking them.

Mr. Pickersgill: I suggest, then, that if the hon. gentleman is worried about the number of my irrelevancies he should not provoke more. However, that is an aside. I want to go on and deal with this measure. Either this legislation is going to take effect and become operative, in which case I have no criticism to put forward, though I maintain it is being brought forward too late to be done properly, or the time of this parliament is being taken up unnecessarily with something that should be left over to the next parliament because it is not in fact going to come into operation during the life of this parliament and we have been told that urgent matters are being held up by the opposition. This is not the first measure of a hypothetical

nature that has been brought in; we had one last week which was hypothetical when it was introduced.

I say if there is urgent business—and I think there is; I think there is very urgent business that should be before us—it is not expedient, to employ the language of the motion, to be debating something that can have no effect upon the course of events for several years to come, because it is now too late in the life of this parliament for it to have any effect.

It may be that the reason this is being done is in an attempt to create an impression upon the public for another general election, I do not know; but before we decide the basic question as to whether it is expedient to have a bill we are entitled to be told what the government envisages will happen in connection with it. We are also entitled to be told why it is being brought in now at this particular time in this particular session.

I said last night I am sure that unless an attempt is made to put undue pressure on the commission to make it work in a hasty and slipshod fashion it will be impossible for the work of any commission of this kind to be brought to completion within two years from the date of the passing of the legislation. If in fact the legislation had been enacted even as late as last year, and if the organizational work had all been completed so that on the day the census returns became available the job of redrawing the boundaries could have begun the next day—

Mr. Diefenbaker: The returns are not yet completed.

Mr. Pickersgill: Yes, I know that. If I have time to do so I will shortly say something about that or perhaps later in the afternoon when I speak again.

In 1882 they were completed in time for the redistribution to be completed by parliament on May 17. In 1872, notwithstanding the nature of communications in this country at that time, they were able to complete the redistribution and have royal assent to the act on June 14.

Mr. Hamilton (Notre Dame de Grace): What about the population?

Mr. Pickersgill: The population has grown, but so have the electronic devices for dealing with these matters promptly.

Mr. Hamilton (Notre Dame de Grace): The population has also grown.

Mr. Pickersgill: There is absolutely no doubt in my mind that if the bureau of statistics had been told that the work of gathering the basic data required for the redistribution, which does not involve counting all the cattle in the country or processing all the data about other things but only involves getting the population statistics and nothing else for each constituency, should be expedited; if it had been given priority, there is no reason on earth why this information should not have been ready on April 10. I am not charging that they were told to have a deliberate slowdown, but it would require quite a lot to convince me that they had been asked to expedite it. I do not believe they have.

I suppose because I have been around a long time and have taken a certain amount of interest in these things I was asked more than a year ago what I envisaged about this matter, whether I thought there would be a redistribution or not before the next election, whenever it was, and I said, "Well, you know, I am not one to predict or to try to read the right hon. gentleman's mind—"

Mr. Diefenbaker: Has the hon. gentleman a crystal ball, too?

Mr. Pickersgill: No, I have not. I think the right hon. gentleman's mind is something I ought not to try to read, and I do not try to read it; unlike many other people in the press gallery and elsewhere, whose reading of the right hon. gentleman's mind seems to be still pretty uninstructed, I simply do not try. I think it is too difficult. What I do say is that I did what I am sure every hon. member did. I made my own prediction. I am sure all hon. members did this, because we were all interested in whether our constituencies were going to be changed, and we were all interested in whether there would be a redistribution.

I said, "I know what will happen. It will be like everything else. It will be left to the last minute. At the last minute we will be told we must not have a conventional redistribution but that we must have a new kind, and then it will be too late; it will be mentioned in the speech from the throne in 1962." I made this prediction over a year ago.

Mr. Diefenbaker: Where did the hon. gentleman make this revelation?

Mr. Pickersgill: I could produce the witnesses. When the bill goes to the committee on privileges and elections, as all these bills always do, I shall be glad, if the Prime Minister is interested, to bring two or three witnesses to whom I made this statement. I do not think it would be very profitable to do so, and I am sure the right hon. gentleman does not doubt my word in this matter.

I made the prediction that it would be mentioned in the speech from the throne, that it would be at least three months or nearly three months after the speech from the throne was read before this urgent legislation was

ever introduced into parliament, that it would take some considerable time for it to pass, and that even if the election were not held until 1963 it would be easy to have sufficient delay so the redistribution could not be completed during the life of this parliament. I do not think that prediction will prove to have been wrong.

Of course there are circumstances in which an election would be justified after a census without a redistribution, if there were some critical situation, if the government lost the confidence of the house and wished to test the confidence of the country, if there were some great emergency of some kind and there was some doubt in the government's mind about whether or not it had the support of the country; but in times which we are told are tranquil, when we are told everything is going so well in the country, and when the government still has what appears to be a rather large majority, there seems to be no valid reason for the government not having taken every precaution in good time to ensure that this constitutional obligation would be carried out as the fathers of confederation intended it to be carried out. And that, sir, has not been done.

The Chairman: Order. I regret to interrupt the hon. member, but his time has now expired.

Mr. Chevrier: Carry on.

Mr. Pickersgill: I shall have an opportunity to speak later.

Mr. Fisher: Mr. Chairman, I would agree to the hon. member for Bonavista-Twillingate carrying on, but I think he intends to do so later in any event.

Any pleasure we may have experienced at the introduction of this resolution is tempered by disappointment arising from its lateness and the realization that an injustice, although it may be an abstract one, is going to be done to a great many voters in Canada because the commission has not been made effective at an earlier date, and because we will not have a redistribution, apparently, before the election.

The remarks of the Prime Minister last evening were quite disappointing to me as one who for several sessions has introduced a measure that had the same intent as this, although as a private member I was limited in the extent to which I could spell out the intention. My disappointment stems from the very apparent fact that the Prime Minister has not fully thought out the kind of instruction that ought to be given to the electoral commission that draws up the boundaries and this, it seems to me, is one of the key points. What is the use of making the general statement that representation by population is not to be the over-all principle, that some account must be taken of traditional boundaries and so on, without some indication as to the—

Mr. Diefenbaker: I do not want to interrupt the hon. gentleman but that is the reason I suggested last night that it would be helpful to pass the resolution so that we could have the bill before us. I cannot go into detail, as the hon. member knows, but the bill has in it directions and guides for the commission. If we could hasten the passing of the resolution to the bill would be before the house, the fullest consideration could then be given to the bill. I do not wish to interrupt the hon. member except for the purpose of making that very clear.

Mr. Fisher: Mr. Chairman, I suppose I should have got in touch with Jackson of the *Journal*; maybe I could have found out something about the situation and what is planned. It does seem to me there is no point in going ahead with a commission unless full guiding lines are to be laid down as to how it is to operate in this regard. I will apologize to the Prime Minister if it is later revealed that I have done him an injustice, but I thought he was very indefinite on that particular score.

There is another point he did not touch on at all that I thought he would almost be forced to deal with. The fact is that at least in the province of Quebec there is a very strong body of opinion that has had its voice in this house during this parliament and also found a voice in the Tremblay report several years ago. That body of opinion has indicated that the whole question of representation in the federal parliament by its very nature, as intended by the fathers of confederation, was meant to be on the basis of provincial representatives within the federal chamber rather than national representatives from particular areas of Canada.

I disagree with this point of view, but it has immense consequences if it is going to be accepted. Though it is a delicate matter, it seems to me it is one that needs to be faced because in my view the Canadian parliament at any time has to be completely in charge of the whole conception. I would point out to the Prime Minister and to other hon. members that because of the Senate floor that now keeps Prince Edward Island at four seats, New Brunswick at ten, Newfoundland at seven and will probably keep Nova Scotia at ten for the next one or two redistributions, these provinces are now guaranteed a representation which it seems to me lends some support or even some sovereignty to the idea

that the provinces in themselves, that is as organizations of their own, have a right to a certain measure of representation at all times.

This point is an important one to me in view of the information that the Prime Minister brought out. He dealt with the projection as to what would be the effect on the house of an increase in the membership to 293, and he showed very effectively, as I had demonstrated to me a couple of years ago by the chief electoral officer, that this really would not do much good for Saskatchewan, which in the short run tends to be the province that is going to lose the most so far as the number of seats is concerned. But I wonder how much longer we can go on carving down provinces such as Saskatchewan and Manitoba while leaving the maritime provinces protected by the Senate floor, when in the name of equity and having regard to population figures it is quite apparent that Saskatchewan and Manitoba in relation to the maritime provinces are being cut down below their respective weights in the chamber.

This is an extremely touchy and delicate point, and in considering the question of adding more seats I wonder whether a more pragmatic approach has not been considered by the Prime Minister or by his adviser, who I assume was the chief electoral officer in this case. That approach would be to freeze at this stage, in 1962, the present representation in the House of Commons. Why should Saskatchewan and Manitoba suffer because of the fact that constitutionally they have not been protected in the same way the maritime provinces have? If you were to work from the basis of freezing the membership at a minimum as at the present time and then making adjustments upward in those parts of the country where the population is moving up, it would at least remove the factor of the Senate floor, and limit the disadvantage to those provinces that are going to suffer at the present time. Since the Prime Minister comes from Saskatchewan I would have thought that he would be interested in that kind of approach.

With regard to his comments about the chamber, the number of members in it and the need for more intimacy, if he really feels as strongly about this matter as he has indicated on several occasions I think he should plan to proceed with it in the next parliament. I have said in the past that I am no great respecter of the British House of Commons in terms of what it accomplishes. I suppose I have watched it in session as much as most Canadian members of parliament, and I think the reasons for the different calibre of the debates there stem from factors other than the make-up of the actual chamber or the lack of desks. I should like to make one point here. I do not think the attendance of the members of the British House of Commons, compared with the attendance of members in the Canadian House of Commons, is quite as good when it is considered that they are so much handier to Westminster than we are to Ottawa. There are hardly any British members of parliament who have to come from a great distance away, as many of our members do, and who are in London for such long periods of time as many of our members are stuck in Ottawa, if one may put it that way. So far as this house is concerned, I am thinking particularly of the western and eastern members who in my view have always tended to carry the burden of attendance in this chamber so much of the time.

I should like to move on to another point in relation to redistribution. I do not know what is in store with regard to who will be on the commission, but as the Prime Minister is a lawyer I have anticipated that it may be heavily weighted with judges, and if more than one judge pops up on this commission I will be quite disappointed. The hon. member for Bonavista-Twillingate made the point that the members of the commission should be named in the bill. I agree with him, and I think one of the people named should be a demographer. I think all members know that a demographer is a special kind of geographer who is trained in population studies and who has rather expert knowledge, as most of them I have encountered have, of trends, shifts and changes in population. Canada happens to be fairly well supplied with such people, and I think it would not be very difficult to find one distinguished professionally to take part in the work of this commission.

An indication was given that the chief electoral officer would probably be a member of the commission. I have tried to look at this both from the point of view of the office and the present incumbent, and I cannot particularly quarrel with the idea. From my experience with the present chief electoral officer it always seems to me that he is the most articulate man in Canada. I can only think of one person who approaches him, and that is Professor Cohen of McGill University.

The difficulty that I and other people, I suppose, have always found with regard to the chief electoral officer is that most of the arguments that we may put before him tend to founder on the very knowledge and brilliance that he brings to his job. One point about the chief electoral officer which the Prime Minister did not touch on and which is germane to the position I want to advance is that in his expressed opinions about redistribution I have found in him a tendency to fairness and a knowledge that

I think are unique. But I have never been able to make any headway, I will acknowledge frankly, in the recognition of the problems of rural ridings and the old distinction between urban and rural constituencies. In this sense the chief electoral officer tends to be what I might call a traditionalist. If there is any formula developed, I am sure he would be interested in an urban-rural formula or ratio.

I insist that this is not sophisticated enough, not practical enough, in the Canadian situation. I think I can show it to a degree, not only by reference to my own constituency but to several others. I have insisted for several years that we have four kinds of constituencies in Canada. I think I might label them as urban, suburban, rural and frontier or hinterland. Naturally, since Port Arthur is a hinterland constituency, it interests me the most. There are a number of others like this, and I should like to put on the record the ten largest constituencies in Canada with their present populations. They are Mackenzie River with 527,490 square miles and a population of 14,895; Saguenay with an area of 374,950 square miles and a population of 81,097; Yukon with 207,076 square miles and a population of only 14,628; Churchill with 170,827 square miles of area and a population of 54,952; Port Arthur, with an area of 148,482 square miles and a population of 87,977. This is the largest in terms of population for these very large constituencies. Then constituency No. 6 is Grand Falls-White Bay-Labrador, with an area of 125,710 square miles and a population of 82,433. In my view this is probably the most difficult constituency in Canada. Then there is Skeena with an area of 125,641 square miles and a population of 58,740; Cariboo with an area of 120,544 square miles and a population of 82,173; Meadow Lake, with an area of 96,327 square miles and a population of 37,937; Chapleau, with an area of 83,640 square miles and a population of 71,394.

Now I should like to draw to the attention of hon. members that of those ten largest constituencies in area, perhaps those which have shown rather exceptional growth are Saguenay, because of mineral developments there, Port Arthur, Grand Falls-White Bay-Labrador, again because of mineral developments. Then Cariboo has grown amazingly in the last ten years, and the Peace River constituency has shown considerable growth. I add that one, and it is No. 11 in size.

The traditionalists argue that rural areas—it seems to me the Prime Minister was being a traditionalist last night—deserve what is in effect better representation. Well, we have so many anomalies. What is the difference between Port Arthur and Fort William in terms of background? Yet a voter in Fort William has just about twice as much effect as a voter in Port Arthur in terms of the relationship to population. We have a situation where my hon. friend from Timmins is right in the centre of a group of huge constituencies. I kid him about it and say he has a little pocket borough that he can drive around in an hour. It is very small and has a population of about 25,000. Then we have an example of a big suburban constituency such as the one the hon. member for York-Scarborough represents. I think we all know something about the problems he has, and these problems are shared by the hon. member for York Centre and the hon. member for York West. There is the problem of tremendous boom development and an inordinate number of people to look after.

Then we look at the other constituencies in Ontario such as Dufferin-Simcoe and Grey-Bruce, which have a population much below the median. Then we run into this argument that they are rural constituencies. I wanted to put on the record the most compact review of this particular point that I have encountered. It is an article written by J. B. McGeachy on redistribution which appeared in the *Financial Post* of August 20, 1960. The article outlines the arguments advanced in favour of these rural constituencies. The arguments advanced are as follows:

1. The farming or food producing interest has a special value to the community and deserves special protection in parliament.

2. The farmers are lusty yeomen, the salt of the earth, splendid fellows, etc., and heaven forbid this superior racial breed should be permitted to die out.

This is the argument I believe Mr. Frost has used in the past.

3. The farmer is less alert and vigorous mentally, less well educated than the city man, more likely to be taken in, hornswoggled and otherwise put upon. He needs some protection against his natural dumbness.

4. The city man has the press, boards of trade, chambers of commerce and other agencies to speak for him directly to government. The farmer has none of these.

Then Mr. McGeachy has put in brackets:

(Though the farm associations seem to do very well when it comes to extracting subsidies).

5. Many rural ridings are represented by city men whereas the reverse almost never happens. Thus the Toronto area, e.g., really has more m.p.'s than the 17 elected in the greater Toronto seats.

6. There must be a limit to the size of rural constituencies. A city man who represents only ten square miles can walk around it in a day but a rural m.p. may speak for the inhabitants of thousands of square miles.

But this surely means nothing at all in the motor car age—except, of course, in a few vast

north country areas like Saguenay, Port Arthur, etc., which can't be helped by redistribution anyway.

I assure the reader that I have not invented any of these arguments for making urban ridings more populous than rural ones. I have found them all in the writings of distinguished students of the subject; and, on balance, I think very little of them indeed.

I tend to find very little in them, indeed, myself. I believe that the overriding principle in representation should be representation by population. I should like to point to the example of Saskatchewan. I say this despite the criticism suggested by the Prime Minister last night. I think the province of Saskatchewan is the most fairly proportioned of all the provinces at the present time in terms of the median of population and some kind of median in terms of the size of the constituency. I know that both Saskatoon and Regina are out of line, and I feel they should be reduced in population terms by adding either to the adjoining constituencies or by creating other constituencies. It seems to me that in Saskatchewan, and to a lesser degree in Manitoba, we come closer to representation by population than in any of the other provinces. It seems to me that this is the goal we should really put forward as the first, overriding principle, to our electoral boundary commission.

The last thing I really wanted to touch upon stemming from the Prime Minister's remarks was his suggestion that county lines, and I would assume municipal lines, are to be considered to a certain extent by the electoral commission. This is a traditional argument, for example, that has held sway for a very long time in the province of Quebec and to a degree in rural Ontario. The argument is that it would be wrong to break up these traditional ridings and constituencies. People worry a great deal about traditional boundaries of municipalities and townships and, as the Prime Minister indicated, they even worry about the courses taken by rivers.

However, as I look at the situation faced by the hon. member for Mackenzie, the hon. member for Yukon, the hon. member for Grand Falls-White Bay-Labrador and myself, I cannot help laughing at this. The hon. member for Grand Falls-White Bay-Labrador has a part of Newfoundland and a chunk of Labrador in his electoral area. I received word in a sessional paper yesterday that I have some 1,400 Indians in my constituency at a place called Trout lake, which I have never seen. To get there I would have to go 200 miles to Sioux Lookout, and there charter an airplane to make another flight of 280 miles in order to locate them. Is it any wonder that when I look at problems like those which hon. members for these big Ontario ridings face, I cannot help but chuckle ironically at the fuss made over old lines in the redistribution of urban constituencies, particularly in Ontario and Quebec.

I see that the hon. member for York-Scarborough is giving me an unsolicited accompaniment—

Mr. McGee: A crying towel.

Mr. Fisher: I hope he will take the opportunity to participate in this debate. The hon. member has said something about a crying towel. In that connection I would point out that in my area the Progressive Conservative candidate and the president of the Liberal association have met with me and we have looked at this particular problem as it affects the constituency. We have come to a firm agreement that when the commission is set up we will make a joint submission to it and point out the difficulties that face a constituency such as ours. It is quite apparent that we cannot get the best kind of thorough representation when we are faced with a problem of so much population scattered over so very wide an area.

The story contained in the population figures given by the census of Canada is a fairly easy one to write. Indeed, it seems to me that most of the gentlemen in the press gallery have had no trouble in pointing out the inequality between Iles-de-la-Madeleine and Mercier, where in one case the population is above 200,000 while in the case of Iles-de-la-Madeleine it only takes 12,000 voters to elect a member of parliament. However it is foolish under the present situation to compare Iles-de-la-Madeleine with York-Scarborough. What we have to do is compare, within the provincial framework, York-Scarborough with Grey-Bruce and Dufferin-Simcoe and ask ourselves why during the last five or six years the hon. member for Grey-Bruce has been worth approximately six times in basic voting terms what the hon. member for York-Scarborough is worth.

It is quite apparent that you cannot work out the division even to 1,000 or 2,000, but it does seem to me that we need a formula or approach that will allow for a leeway of a ratio of seven to five between constituencies. I notice some people are enthusiastic about the ratio arrived at in Manitoba, but I cannot see why the Manitoba ratio should be applicable to the rest of Canada, because Manitoba has a rather unique urban-rural situation. Winnipeg has relatively so much larger a population, taken in comparison with other parts of the province which have mostly a farming population.

The principle that I believe should be put to the electoral commission is that they seek not

to have equal representation, but that they allow for a ratio of between seven and five to make adjustments that take care of the area factor, and second to take care of the location of cities and towns that may throw the matter awry.

The Prime Minister seems to have given an indication that the reason he personally was prepared to take the lead with regard to redistribution was related to his own experience. I have gone through the old debates, and I expect he remembers very clearly the debate which took place in July, 1947 when he, Mr. Tucker, and Mr. Wright from Saskatchewan got so deeply involved in what was in effect a public quarrel about the way Saskatchewan was being divided up. For the sake of those people who read *Hansard* I want to put on the record a comment made by Mr. Wright, who was a third member of the Saskatchewan committee on redistribution. As recorded at page 5668 of *Hansard* for July 15, 1947 he stated:

> As the member for Rosthern has said, the member for Lake Centre—

He is now the Prime Minister.

> —did not appear to be very much interested in any other part of Saskatchewan than his own constituency. In the proceedings in the committee he raised only one point that I can remember with regard to any other constituency and that was with reference to Melville, adding an area south of Qu'Appelle valley to that constituency.
>
> If that is the basis on which we are to deal with redistribution, the personal interest and personal preserves of individual members, I do not think we can ever reach fair decisions, and that apparently was the basis on which this matter was considered.

I place that on the record, Mr. Chairman, because although I do not want to reduce the nobility of the Prime Minister's motives I think it might be somewhat of an antidote to the general conception a stranger might get on looking at *Hansard,* that the Prime Minister is a complete St. George destroying the dragon.

Mr. Lambert: He was just defending himself.

Mr. Fisher: Did the hon. member make a comment?

Mr. Lambert: He was just defending himself. He was "the target for tonight".

Mr. Fisher: That may be, but it seemed to me that last night he was crediting himself with more noble motives than that. Surely, it is not unkind to reduce a man to a politician.

Mr. Jones: They were trying to carve up his constituency. That was the whole object of that redistribution.

Mr. Fisher: I would advise the hon. member to read the debates. If he did it would put a new perspective on matters.

Mr. Pickersgill: It certainly would.

Mr. Jones: I read the debate.

Mr. Fisher: When the Prime Minister introduced this measure last night he made reference to the situation in the United States, where a new decision of the supreme court has given great hope to people affected there. The situation in the United States, so far as the intervention of the jurists was concerned, was dealt with in a judgment made some years ago by Justice Frankfurter, who said:

> Courts ought not to enter this political thicket. The remedy for unfairness in districting is to secure state legislatures that will apportion properly, or to invoke the ample powers of congress.

This is an example of juristic attitude which I take to say that under its present constitution congress should take the leadership in invoking powers and straightening out malapportionment. I would say that the reasons with which the Prime Minister introduced this argument, pointing out how serious is the problem, are applicable in Canada, and I have to agree that we have not handled this whole question with any fairness and we very much need the kind of solution he is advancing at this time.

The Chairman: I am sorry to interrupt the hon. member but his time has expired. Does the committee wish the hon. member to carry on?

Some hon. Members: Agreed.

Mr. Fisher: I shall only be a few more minutes, Mr. Chairman. I was talking about the relationship of malapportionment to the Canadian situation. I was approached the other day by a lawyer who wanted to know about this, and I thought it was worth while going ahead and trying to watch what action in Canada might lead to the same result that was obtained in the United States. I do not know enough about the jurisdiction of the courts in this country, but it does seem to me that this would be a very nice issue for some public-minded person in the country to take up at the present time, perhaps under the bill of rights. I refer to taking up this question that was brought before the supreme court in the United States; that is, whether there is a legal right to have your vote count with some means of equality with other citizens in the country.

It seems to me it would still be important and relevant in this country to have such a decision, because all the pieties that we may utter here about the need for fairness in this

regard will tend to fall away if the instruction is not very, very clear as to what are the principles under which this new commission is to operate.

The hon. member for Bonavista-Twillingate put forward the point that the commission should bring its report into the house in the form of a bill, with the boundaries already drawn up. It seems to me this is the only sensible way it can be done. I would only hope that some kind of tradition develops in so far as this particular measure may be concerned and that the party line, as the hon. member suggested, will not be in effect when this particular bill is before the committee that considers it, other than the fact that the members of the committee will, I assume, be apportioned on some kind of basis relative to the party standing in the house.

The other point in relation to the bill as it may be laid before the house, it would seem to me, is the amount of preliminary opportunity that will be given to local groups to make their presentations before the bill is made up. That is, I hope it would be considered practical for the commission to have one or two members move across the country at regular intervals, getting the feel in the various areas about what their needs and wishes are with regard to representation, and that at no time would a substantial change be made in any district without representatives having the opportunity, if possible, on the local scene to make their representations about the way the constituency should be divided.

The measure is one that we would be very happy to support, despite our doubts as to its really being effective in the short run, particularly for the voters in the approaching election.

Mr. Matheson: Mr. Chairman, all of us of course are sympathetic to the principle enunciated in this bill. We regret that a reading of the remarks of the Prime Minister do not appear to indicate any clear answer to complicated problems involved. We find it difficult to understand why, in what appears to be the last hours of this parliament, we are addressing ourselves to one of the most complex matters ever laid before the House of Commons of Canada. Perhaps in the next parliament, with people of the competence of Dr. Pauline Jewett, we might be able to do rather better.

May I refer to some comments of Sir Richard J. Cartwright in his book entitled "Reminiscences". Answering certain questions put to him by a reporter at that time and referring to the classic case of gerrymandering in the election of 1882, he said:

> Under pretence of adding four seats to the representation of Ontario they—

[Mr. Fisher.]

That is, Sir John A. Macdonald:

> —changed the boundaries of 54 constituencies so that while the Liberal party in Ontario almost exactly divided the popular vote in 1882 and 1887, and had a decisive majority in 1891, they were placed in a large minority in 1882 and 1887 and even in 1891 were kept still in a minority, though, of course, not so large a one. That there may be no possibility of dispute, I give the figures for 1891 from the published statement of Mr. George Johnson, the dominion statistician and a strong Conservative. Mr. Johnson stated the total Liberal vote in Ontario in 1891 to have been 178,871 and the total Conservative vote 171,595, giving a majority of the whole vote of 7,276 in favour of the Liberal party. The result in number of seats was that the Liberals, with a popular majority of 7,276, got 44 seats and the Conservatives, who were in a minority of 7,276, obtained 48. How grave a thing this was can be best understood from the fact that the total Conservative majority in Ontario in 1878 was 7,000, when they carried 59 seats to the Liberals' 29 out of the 88 seats Ontario then possessed.

Mr. Grafftey: Tell us about St. Antoine-Westmount.

Mr. Matheson: Sir Richard indicated that this gerrymander—and I shall not be distracted by the intervention of my hon. friend from Brome-Missisquoi—began in 1882 and it was not done away with until the election of 1904, owing to the refusal of the Senate to alter the constituencies until after the census had been taken.

Mr. Grafftey: Tell us about St. Antoine-Westmount, Moose Jaw-Lake Centre and all those places.

Mr. Pickersgill: Does the hon. member really want to know about Moose Jaw-Lake Centre? I would not advise him to ask about that.

Mr. Matheson: Sir Richard continues:

> As the Conservatives had a decided majority in the Senate at that time, we had no alternative but to submit. This meant that for five successive elections, in 1882, 1887, 1891, 1896 and 1900, the Liberal party in Ontario were deprived of their fair share in the representation.

A few hours ago I took the occasion—

Mr. Grafftey: Tell us about St. Antoine-Westmount.

Mr. Matheson: It is difficult to continue with these interventions from my giggling friend from Brome-Missisquoi who is in his seat. May I simply say that as we look back over the records no party can feel more indignant about the whole question of gerrymandering than the Liberal party, and they themselves at different times have learned from these things—

Mr. Grafftey: You are reading history with your blinkers on.

Mr. Matheson: —which were introduced into the history of Canada so effectively by the master gerrymanderer of them all, that

wily, very clever and attractive personality, Sir John A. Macdonald. Certainly the 1882 gerrymander becomes the classic case in Canada and one that presents a great deal of amusement and interest to people who can now look back at history and perhaps not be as concerned about its evil consequences.

This bill poses a real problem. It is a matter which calls for earnest consideration with respect to principle. Now it would seem to have no chance of adequate consideration and debate. We do not want to be in the position, at this stage of the session, of impeding the government in any of their proper undertakings.

I have read with some care the Diefenbaker promises of 1957 and on this matter of redistribution it would seem that as early as the fall of 1956, the man who now presides over the government of Canada had very clear ideas about redistribution; at least, one would have thought he had.

In the addresses given yesterday one can find words and a good deal of talk on generalities almost as vague as some of the other recommendations which have been brought to this house. We have heard two addresses, one from the hon. member for Bonavista-Twillingate and one from the hon. member for Port Arthur which will indicate to the people of Canada something of the complexity of this problem.

I represent a riding which in population, I have no doubt, is below national average. When there was discussion of redistribution in recent months there was immediate consideration of what this would do to certain seats. The effects will be felt by a number of Liberals in this house. We should like to know what the governing principle here shall be.

It was my pleasure in recent days to spend some time in the Cariboo and to see something of the complications of this vast riding, and of the adjacent Skeena riding which has been referred to by the hon. member for Port Arthur. Does it make sense that we should depart from the area concept? I cannot find myself subscribing to the principle which I think is inherent in the speech of the hon. member for Port Arthur with respect to the special sovereign interests of provinces. I doubt whether it represents a true interpretation of the constitutional situation but it is certainly one which has been advanced by some able constitutional lawyers and particularly by some scholars in the province of Quebec. All this illustrates how unwise would be too speedy a disposition of a matter so fundamental to democratic rights.

I subscribe to the idea of an independent council and we know of the high qualifications and character of the chief electoral officer. Here is a person something like the chairman of the Bank of Canada whose office renders him somewhat independent of the government; a person who has a high judicial function, and we are fortunate at this time that we have this kind of person to preside when this matter is to be raised.

I read some days ago a number of clippings with respect to the suggestion of reform. When we read those clippings we realize how very complex this matter is, almost too complex to involve us at this stage when we shall not have time to debate the basic considerations. We have been waiting week after week to go into specific matters such as the exchange fund which we thought would have been discussed three or four weeks ago.

Mr. Grafftey: Whose fault is that?

Mr. Matheson: The hon. member for Brome-Missisquoi is again intervening. I may tell him that some of us have gone away from this place in order to meet people who are qualified to give helpful advice on this subject which we thought was of urgent importance. We thought this exchange legislation was the kind of thing which could not be left over. We did not think it was possible for this mint and exchange bill proposed by the Minister of Finance to be delayed. We thought this was something to which we would have to address ourselves. I remember flying here so as to be able to make some modest contribution to a subject which was highly complex and upon which we had to seek the best possible advice in a hurry. Over a week ago I spoke to a person on the west coast who is regarded as one of the highest authorities on this subject. But we did not have time for that legislation.

Now we have before us one of the most complicated and sophisticated problems in the Canadian economy. I would just ask that the committee should consider a statement which appeared in the London *Free Press* of December 5, 1961. The editorial states:

> When confederation was established a clause of the British North America Act provided that after every decennial census there should be a redistribution of House of Commons seats. As a protection for Quebec that province was given 65 seats and 65 divided into the Quebec population was the quota for the rest of Canada.

Have we time, now, seriously and earnestly to consider any really meritorious contribution to redistribution? I submit that at this stage that is asking this committee to do the impossible.

The Chairman: Is the committee ready for the question?

Mr. Pickersgill: I was hoping that the Prime Minister would deal with some of the points which have been raised, particularly with the question of the fundamental conditions which it seems to me ought to be observed with regard to this bill, above all, whether this parliament is going to decide on the commissioners or whether the government has any thought that the commissioners are to be appointed by an order in council which, I think, would be completely unacceptable.

There is really no reason why this scheme of the bill should not be exposed at this stage. There is no sanctity about this. I can remember that being done on many occasions when the right hon. gentleman was on this side of the house. Sometimes it was resisted by the government, and they gave way afterwards. I thought it was a foolish point to make in the past, though sometimes it was done because the bill was not quite ready, even under the previous government. If this bill is ready, I hope the Prime Minister can indicate, as I say, whether parliament will decide who the commissioners are going to be or whether the government has in mind to do this by order in council.

Mr. Diefenbaker: Mr. Chairman, I would simply say this: the rules are that I cannot deal with the bill in the committee stage of the resolution. We have heard the views of hon. gentlemen on the subject and if they would allow the resolution to pass now we would make great progress, because the bill would be before the house and the country immediately and be available for consideration in detail. Each hon. member would then have the fullest opportunity to make his suggestions.

I have listened with much interest to the various statements which have been made, and the views expressed, but the principle before us now is the setting up of an independent commission, and from what I gather from the opinions expressed by representatives of all the parties, that principle is accepted. This being so, in order to expedite consideration of the various questions which have arisen I hope there may be acceptance of the resolution. When that is done we shall immediately table the bill. First reading will be given at once and in that way an answer to a number of doubts expressed will, I think, be forthcoming.

Mr. Pickersgill: I am not going to enter into a sterile argument about whether or not the right hon. gentleman can tell us what the scheme of the bill is. We have had that point over and over again in the house. Even if there were some technical objection, if everyone wanted it there would be no harm in doing it. I am not insisting on that point nor will I waste any time on it.

[The Chairman.]

The Prime Minister said the principle we were to settle was whether there would be an independent commission. That, of course, is not correct. What we are determining here in accordance with the government's request is whether it is expedient to introduce a measure. The principle of a bill is determined on the second reading of the bill, not on the resolution. The question we are asked to settle here is whether it is expedient to introduce this bill. I think it would have been expedient to introduce a bill of this kind in 1960, as I indicated when I spoke earlier. I think it would have been excusable and perhaps expedient to do it in 1961. I do not think it is expedient to do it in 1962 unless we have an assurance from the government that it intends to proceed with the implementing of the redistribution itself; unless, in other words, we are assured that this legislation is going to come into immediate operation and that the constitutional obligation to redistribute is going to be carried out during the lifetime of this parliament. Otherwise it seems to me it would be more expedient to be dealing with urgent legislation that obviously has to be passed before there can be an election.

If we are not going to implement this in any way, if it is not going to have any effect upon the next election, then there does not seem to me, using the word "expedient" in its ordinary sense, to be any kind of urgency; and since urgency has been stressed so much by the government in recent weeks I do not feel we should proceed with this measure now. If the session goes on longer and the supply which is urgent business is voted, supply to pay bills that were contracted in the last fiscal year the passing of which is our fundamental job in parliament—

Mr. Diefenbaker: Perhaps the hon. gentleman would allow me to give an answer to these various matters immediately.

Mr. Pickersgill: Certainly.

Mr. Diefenbaker: To begin with I would say we could not set up a commission in advance in order to assure that redistribution would be proceeded with any faster than will now be the case.

Mr. Pickersgill: Well, that is a matter of opinion.

Mr. Diefenbaker: Redistribution cannot be proceeded with until the census is completed, and the census is not completed yet. To have set up a commission for the purpose of giving consideration to what it would do after the census was completed would have been idle and futile, so that the question as to whether it should have been introduced in 1960 or 1961 is, I think, an academic argument.

The hon. gentleman says there are matters of urgency. I should point out that this is the 59th sitting day. During that period we have spent 22 days on supplementary estimates, two days on main estimates, eight days on the speech from the throne, two days on a supply motion and only 23 days on legislation.

Mr. Pickersgill: Which is a lot of time.

Mr. Diefenbaker: A most unusual situation has developed. We have had arguments over and over again on the question of supply, not original supply but supplementary.

Mr. Pickersgill: Would the Prime Minister permit me to put a question about this?

Mr. Diefenbaker: Yes.

Mr. Pickersgill: Surely the Prime Minister would not say that the $40 million acreage payment was not an original piece of supply or that the emergency assistance for the fishermen of Newfoundland was not an original piece of supply? A lot of the supply was not supplementary in the ordinary sense, but was new business.

Mr. Martin (Essex East): It is still business of the house.

Mr. Diefenbaker: Mr. Chairman, very little time was taken on the question of the $40 million grant. We have spent 22 days on supplementary estimates. As I have said on a number of occasions we used to be criticized when we sat in opposition for holding up progress, but in a period of five years we spent only nine days on supplementary estimates.

Mr. Pickersgill: But the supplementaries of this government are as much this year as in that full five year period.

Mr. Diefenbaker: The hon. gentleman again interrupts.

Mr. Pickersgill: Well, I gave the figures the other day.

Mr. Diefenbaker: The hon. gentleman is merely engaging in an exercise in futility. I am pointing out this fact. I was trying to be helpful. I thought if this resolution passed we could then have the legislation before us. However, I am in the hands of the house. If we are not going to be able to pass the resolution and get the legislation before us then, of course, the responsibility is not that of the government.

Mr. Martin (Essex East): That is exactly where the responsibility lies. The responsibility rests with the government, not with the opposition.

Mr. Diefenbaker: Well, Mr. Chairman, if one looks at the record—

Mr. Martin (Essex East): Do not lose your temper.

Mr. Diefenbaker: I would say to the hon. gentleman that he is frustrated.

Mr. Martin (Essex East): Do not make these charges.

Mr. Diefenbaker: Let me say to the hon. member for Essex East that his entire attitude in recent weeks has been one of deep frustration over the fact that he does not occupy the position he would like to.

Some hon. Members: Shame.

Mr. Martin (Essex East): Mr. Chairman, I rise on a point of order.

Mr. Diefenbaker: There is no point of order.

Mr. Pickersgill: There is a question of privilege; a personal attack.

Mr. Martin (Essex East): Mr. Chairman, I rise on a question of privilege.

The Chairman: Order. I notice at the present time that the clock says five o'clock. According to the rules of the house, so that the house may proceed to the consideration of private members' business, pursuant to section 3 of standing order 15, it is my duty to rise, report progress and request leave to sit again later this day or at the next sitting of the house as the case may be.

Mr. Martin (Essex East): Mr. Chairman, I rose on a question of privilege and a question of privilege is always heard forthwith.

The Chairman: Order. I am afraid the hon. member will either have to raise his question of privilege when the Speaker is in the chair or else raise it when the committee sits again; but at the moment I must report progress.

Mr. Martin (Essex East): Mr. Chairman, on a question of privilege which also involves a point of order—

Mr. Diefenbaker: Mr. Chairman, I am not seeking to interrupt the hon. member.

Mr. Martin (Essex East): Mr. Chairman, I rose on a question of privilege. If I cannot speak, the Prime Minister cannot. Surely he must not be given a preference. The Prime Minister has made a statement—

Mr. Jones: The Prime Minister is endeavouring to help the hon. member.

Mr. Diefenbaker: I am rising to give assistance to the hon. gentleman.

Mr. Martin (Essex East): Mr. Chairman—

The Chairman: Order.

Mr. Diefenbaker: Mr. Chairman, I am attempting to allow the hon. member to raise this imaginary question of privilege of his.

Electoral Boundaries Commission

Mr. Martin (Essex East): Mr. Chairman—

Mr. Winch: Mr. Chairman, if I may, I am rising to request that you insist on enforcing the rules governing our procedure. It is now five o'clock and we should now proceed to the next order of business.

Mr. Martin (Essex East): Mr. Chairman, on the point of order raised by the hon. member for Vancouver East, may I say I appreciate the hon. gentleman's attempt—

The Chairman: Order.

Mr. Martin (Essex East): Mr. Chairman, on the point of order raised by the hon. member for Vancouver East—

The Chairman: Order. The hon. gentleman has just mentioned that he is now speaking to a point of order.

Mr. Martin (Essex East): No, no.

The Chairman: As this is a different matter I regret that I must inform the hon. gentleman that I am required to report progress.

Mr. Martin (Essex East): Mr. Chairman, I was rising on the point of order raised by the hon. member for Vancouver East. Under the rules of the house a question of privilege must be heard forthwith. If I wanted any better authority, it is the statement of the Prime Minister.

Mr. Grafftey: Under what rule must a question of privilege be heard forthwith?

The Chairman: Order. The hon. gentleman stated that he had a question of privilege. He was given an opportunity to state it and now he rises on a point of order.

Mr. Martin (Essex East): With deference, Mr. Chairman, that is not correct.

Mr. Nowlan: Order.

The Chairman: If the hon. gentleman has a question of privilege which he can state succinctly I am willing to hear him, and then I shall report to the Speaker.

Mr. Winch: Mr. Chairman, may I point out that at two minutes after five no one can raise a question of privilege or a point of order under our rules.

Mr. Martin (Essex East): Mr. Chairman—

Mr. Winch: It is not allowed under the rules.

The Chairman: Order. I will hear the hon. member for Essex East.

Mr. Martin (Essex East): Thank you, Mr. Chairman. I simply wish to say to the Prime Minister with regard to the matter he has raised and which has provoked this question of privilege, this is the second time—

[Mr. Diefenbaker.]

The Chairman: Order. I asked the hon. gentleman to state his question of privilege but I do not feel that at this time, it being past five o'clock, he may engage in a debate, and obviously he was beginning to engage in a debate in addressing his remarks to the Prime Minister.

Mr. Martin (Essex East): Mr. Chairman, I would ask you to consider carefully what you have just said. My question of privilege arises out of what the right hon. gentleman has said and I cannot begin to state my question of privilege unless I address myself to what the Prime Minister said. The Prime Minister for the second time showed that remarkable sense of the dignity of his high office by once again making a personal aspersion. I simply—

The Chairman: Order.

Mr. Martin (Essex East): May I finish?

The Chairman: Order. Will the hon. gentleman please resume his seat while the chairman is on his feet. I am satisfied that the matter that the hon. gentleman has just raised, interesting as it may be, is not a matter of privilege that must be taken up at this instant and I feel—

Mr. Martin (Essex East): You just said a moment ago that I could.

The Chairman: —that according to the rules I must interrupt this sitting at this time so that the house may proceed to the consideration of private members' business, and I accordingly do so.

Mr. Martin (Essex East): You just said a moment ago that I could.

Progress reported.

PRIVILEGE

MR. MARTIN, ESSEX EAST—REFERENCE TO REMARKS OF PRIME MINISTER IN DEBATE

Hon. Paul Martin (Essex East): Mr. Speaker, on a question of privilege, just before five o'clock and before Your Honour took the chair the Prime Minister made what can only be regarded as a reflection involving my person and my attitude toward public questions in this house. At that time Mr. Deputy Speaker thought that I would have to raise the question of privilege after five o'clock and that I am now doing. To deal with the question of privilege—

Mr. Speaker: Order. I am sorry but I am not empowered to deal with a matter which arises in committee and on which the committee has not reported to me.

Mr. Martin (Essex East): Mr. Speaker, we are in this amazing situation. Under our rules a question of privilege must be raised forthwith at the earliest opportunity and if I had

not raised it at the time I would have been precluded under our rules and practices from dealing with it later. The Deputy Speaker said that I could not raise it because we had reached the hour of five o'clock and that I would have to wait until Your Honour was in the chair. Therefore I am now raising it. We are put in the position where an hon. member has been attacked by no less a person than the Prime Minister, and I would simply say to the Prime Minister if Your Honour will permit, and this will bring the matter—

Mr. Speaker: Order. The hon. member is proceeding to deal with the matter. It may be that there is an hiatus in the rules. The hon. member would be able to raise his question of privilege, I think, when the committee sat again. I am sorry, but I am not empowered to take under consideration or to bring before the consideration of the house matters which arise in committee unless the committee has reported them to me.

Mr. Martin (Essex East): The Prime Minister has been saved by a technicality.

PRIVATE BILLS

On the order:

House in committee on Bill S-9, an act to incorporate Brock Acceptance Company. (Without amendment).—Mr. Smith (Winnipeg North).

Mr. Speaker: As there are a number of private bills standing for consideration in committee of the whole, is it agreed that in accordance with section 1 of standing order 54 they be referred to committee of the whole on one motion?

Mr. Winch: Are you referring now to Bill No. S-9, Bill No. S-10 down to Bill No. S-12? If so, I should like them taken individually.

Mr. Speaker: The first five items. Does the hon. member wish them to be referred to the committee separately?

Mr. Winch: Bill No. S-9, Bill No. S-10, Bill No. S-14, Bill No. S-15 and Bill No. S-12.

Mr. Speaker: They would be considered separately in committee. What I suggested was that they be referred to the committee at one time so that the committee could deal with them one after another rather than reporting back after each bill. Is it agreed?

Some hon. Members: Agreed.

BROCK ACCEPTANCE COMPANY

The house in committee on Bill No. S-9, to incorporate Brock Acceptance Company—Mr. Smith (Winnipeg North)—Mr. Martineau in the chair.

Private Bills

On clause 1—*Incorporation.*

Mr. Winch: Could we have an explanation from the sponsor of the bill?

Mr. Smith (Winnipeg North): Mr. Chairman, I have nothing further to add to the statement I made on second reading of the bill. It is a bill to incorporate a small loans company under part II of the Small Loans Act to be known as Brock Acceptance Company. The bill was referred to the standing committee and, as hon. members will note, was reported back to the house without amendment.

Clause agreed to.

On clause 2—*Provisional directors.*

Mr. Howard: Mr. Chairman, on clause 2 I should like to propose an idea which I have mentioned previously to the hon. member for Winnipeg North, the sponsor of the bill. I have no knowledge yet of his reaction to the proposal I want to make. Clause 2 provides that the persons named in section 1 shall be the provisional directors of the company. When we were considering a bill respecting Aurora Pipe Line Company last year the committee started upon a course of action to provide that the directors should be Canadian citizens. Another bill passed earlier this session involving another pipe line company contains a similar principle. We agree with this principle and we think that parliament should give expression to it in the incorporation of companies through private bills. Perhaps the government will subsequently see its way clear to follow this practice with respect to companies incorporated under the Companies Act. Therefore I should like to move an amendment to clause 2.

That clause 2 be renumbered as subclause (1) and the following be added as a new subclause (2):

(2) All the directors of the company shall at all times be Canadian citizens ordinarily resident in Canada.

This is the wording, Mr. Chairman, that is contained in the act incorporating Aurora Pipe Line Company which was passed at the last session.

Mr. Smith (Winnipeg North): It was brought out in the banking and commerce committee and in the Senate committee that this is a family company being set up by the mother, father and their eldest son. There is in existence an acceptance company known as Brock Acceptance Company, and this bill would merely empower that company to make small loans under part II of the Small Loans Act. The history of small loan companies in Manitoba, as I am sure all hon. members are aware, is that they can be incorporated by special act of the provincial legislature or by

obtaining letters patent from the provincial legislature. However, the history in Manitoba is somewhat different. The policing of these companies in this field, as a result of an unfortunate incident many years ago, has been by the director of insurance under the federal authorities. The Manitoba government, therefore, discourages the incorporation of these companies on a provincial basis. They take the view that if these companies are going to be policed by the federal authorities, then they should be incorporated by the federal authorities. This is the main reason incorporation is sought by an act of parliament at this time.

There are a great many companies operating in this field, but only five are incorporated by an act of parliament. If this bill is passed, and the next one on the order paper, there would be seven such companies. In view of the fact that Winnipeg is one of the more progressive areas in Canada, and in view of the fact I have not had an opportunity of determining exactly the effect of this amendment on the operations of this company, as well as the fact that this is a family corporation and in all likelihood will remain so for years to come, I do not feel this amendment is necessary. However, since this is a private bill and I do not wish to waste the time of the house as did the incomparable member for Essex East, if the majority of the members of the committee feel this amendment is necessary then I am sure that those who seek incorporation would be willing to accept it. However, I would point out to the committee that if the situation of this company changes in subsequent years it will be necessary to amend the act to allow for directors other than those covered by this amendment.

Mr. Winch: I find myself in a very peculiar position because I was a member of the banking and commerce committee which studied these bills. The circumstances surrounding these bills are so strange that I have never come up against them before. I would ask the sponsor of this bill, and the following bill, to make a very emphatic declaration in this House of Commons. Strangely enough, Mr. Chairman, it is not possible to refer to the one bill without making some reference to the other because we have an extraordinary situation which came to light as a result of the reference of these bills to the banking and commerce committee.

Upon investigation in the committee we found that the incorporators of this small loan company were named Schwartz, Schwartz and Schwartz, that is, a husband, wife and son, and the incorporators of the other company which will be before us will be engaged in exactly the same business and are related by marriage. I did my best in the committee to find out what the interrelationship was. I am sorry, sir, but I find I am in a position where I cannot understand why two private bills come before this house, both from the same city, both for the same purpose and the incorporators of these companies are interrelated by marriage. Certain affirmations were made in the committee but, in my opinion, it is just too coincidental that this should occur.

There is no transcript of the proceedings of the banking and commerce committee. I do not know the reason for this, but there is no transcript available. Because there is this interrelationship between the two bills in so far as the type of business is concerned and the relationship by marriage of the incorporators, I feel there should be a statement made in this house to assure hon. members that there is no collusion and no business relationship and to explain why we should have these two bills from Winnipeg at the same time. I agreed in committee that the bills should be sent forward to this house, and I think the hon. member will understand why. I ask that the explanation be given here, because there was no transcript of the committee proceedings.

Mr. Aiken: I was a member of the committee which examined this bill and the other bill. I agree with the hon. member for Vancouver East that we examined these bills very closely, and the hon. member asked a good many questions about the relationship of these parties and their intentions. The principle of this amendment is not one to which I could object, because it is desirable that so far as possible directors of companies should be Canadian residents. However our present difficulty is that we have already passed the bill in committee and the problem was not raised there.

Now at the last moment we are asked to consider an amendment which we have not had time to study fully. There was a question of law raised in connection with the other bill, but I understand we now have an answer to it and can proceed with that bill. However in regard to this bill there is the difficulty that if we incorporate the amendment that is proposed, even if we incorporate it in both bills, it would be a matter of discrimination against the people to whom these two bills apply, discrimination which does not apply in the case of many other private bills now on our statute books.

I believe the proper approach would be a general amendment to bring all private companies under an identical type of restrictive

legislation. I believe it would be unfair to introduce it into these two bills now, and I shall vote against the amendment.

Mr. Macdonnell: I should like to associate myself with the remarks made by the hon. member for Parry Sound-Muskoka. I also was on the committee which had the advantage of hearing a report from the very able superintendent of insurance who had looked into the whole situation. I think everything said by the hon. member for Parry Sound-Muskoka is true.

Why should we now, without any valid reason that I have heard, introduce this restriction which surely in effect will be discriminatory, as described by the last speaker? For that reason I should like to echo what the last speaker has said, and unless there is a sound answer to that it seems to me it would be utterly impossible for us to accept this amendment.

Mr. Winch: Here is another fact for consideration. It is most unfortunate that we have no record of the proceedings in the committee on banking and commerce. There is no transcript. I do not know why, but there is none. Therefore I think I should put certain matters on record.

I should like to ask a question which I asked in the committee, a question which the hon. member for Greenwood knows I asked. Since this company intends to operate only in Winnipeg, in the province of Manitoba, why has it felt it necessary to ask for a bill of this kind through the House of Commons and not get a bill through the provincial legislature of Manitoba? In asking that, I realize Manitoba is one of the provinces which will not issue any licence of this kind by letters patent, but from my reading of the bill the people concerned do not intend to operate outside Manitoba whatsoever. But if Manitoba does not issue letters patent, it can issue a bill through the provincial legislature; and I ask why these people ask for a private bill from the House of Commons when they could get the same thing in Manitoba? I repeat that I only ask this question now because there is no transcript of the proceedings in the committee on banking and commerce.

Mr. Smith (Winnipeg North): The hon. member has raised two points, first with regard to the family connection and second, with regard to the procedure involved in incorporating this company. I am sure the hon. member will recall that the procedure for incorporation of companies of this nature in the province of Manitoba was explained quite fully in the committee by Mr. MacGregor, the superintendent of insurance.

Some years ago the province of Manitoba had an unfortunate experience with regard to companies of this nature and companies of other natures in this field, acceptance companies and so on, which had to be wound up and which resulted in a substantial loss to a great many citizens in the province. I do not know if it was due to inadequate policing or inadequate regulations, but I do know that since that time the province of Manitoba has asked, as I said earlier, to have federal inspection of companies operating in this field within the province even though they are not subject to federal inspection. Also since that time the government of Manitoba has been very reluctant to incorporate companies in this field, either by letters patent or by private act of the provincial legislature, because they have taken the view that if these companies are subjected to federal inspection then they should be incorporated by federal act of parliament.

There is also the point that even though at present a company intends to operate only in Winnipeg it may find in the not too distant future that it wishes to operate in other provinces such as Ontario and Saskatchewan. Because of the difficulty of incorporating in Manitoba they must incorporate in the Dominion of Canada, and this not only gives them a wider field of operations but it also gives them the prestige of being dominion companies.

With regard to the family tie up, I do not think I need to go into that in any detail. I do not think my brother and I are in the same business, and even if we were I do not think anyone could tell me I was running his affairs or he was running mine. The sponsor and petitioners in each bill are interrelated by marriage, but it is also true that they are outstanding families. The Schwartzs and the Arkins are outstanding families in the city of Winnipeg, and from their common start they have branched out into their own businesses. They have each set up acceptance companies in order to facilitate their transacting business in various fields; and now each of them, at the same time, is applying for a licence under part 2 of the Small Loans Act to incorporate a small loans company.

I discussed this with the department of insurance as I was quite sure that hon. members who knew of the family relationship would wonder why they were doing this simultaneously. The department of insurance informed me they had the same thought in mind, and made a very thorough investigation in order to determine whether or not there was anything being done that should not be done. Having concluded their investigations, and I am sure all hon. members

will agree on the efficiency of the department, they saw nothing wrong. They saw no objections which they could raise in the committee of the other place or in the banking and commerce committee of the House of Commons. No objection was raised there. In the banking and commerce committee of the House of Commons this question was raised repeatedly. We were told about the investigations that had been conducted and we were given the assurance of the superintendent of insurance that there was nothing that had not been disclosed or uncovered to prevent the two from applying for a licence at the same time.

Mr. Howard: Mr. Chairman, I am not too much concerned about the interrelationship of the two families here. In fact I did not know it existed until that fact was mentioned just now. Not being a member of the banking and commerce committee, wherein this matter was gone into thoroughly, I would not have the opportunity of knowing it unless I inquired of our members on that committee what had been discussed.

However, the point of the amendment is that all the directors of the company shall at all times be Canadian citizens, following the practice we started last year with respect to Aurora pipe lines. The hon. member for Greenwood said this amendment has come in at this stage with no valid reason. That is what I understood from his words. Therefore, he said, we should not accept it.

There is a very valid reason for the amendment. It is a simple, uncomplicated reason. It is that we desire corporations which exist and operate within Canada to have boards of directors consisting of Canadian citizens. That is a valid enough reason. The reasoning behind the amendment, if one wants to go further into it, can be found in various speeches made by the Prime Minister before he reached the exalted position that he now holds. This was one of his key arguments and expressions throughout the country, that there should be Canadian ownership of industry and the like. We have just spent two or three days dealing with the same subject matter in part with respect to a bill introduced by the Minister of Justice regarding statistical information from corporations and trade unions.

The reasons are simple, and I think they are also valid. The hon. member for Winnipeg North who sponsored the bill has indicated that this is a family corporation. But it may not always be that way. I have not the faintest idea what is the situation here. I know of other family corporations which have got into difficulty and in order to obtain financial support to expand the business have had to sell out the corporation to United States interests. This is one of the reasons why there is increasing United States control and ownership of Canadian industry. The reason is that private companies find it necessary to go to that market in order to get money, thereby selling the corporation in the process.

The hon. member who sponsored the bill, as I understood him, said that if there is a subsequent change in this regard the bill would have to come back to parliament for alteration. I think this is not the case, because clause 1, which we have already passed, reads as follows:

> Beatrice Harriet Cohen, spinster, Arthur John Arkin, manager, and Jack Isaac Arkin, manager, all of the city of Winnipeg, in the province of Manitoba, together with such other persons as become shareholders in the company, are incorporated—

Therefore the way is open now for other people, once this bill becomes law, to become shareholders, and for those shareholders at some subsequent time, without coming back to parliament and without asking for an alteration to the bill, to participate in electing members to the board of directors. It could then very easily be that those members might not be Canadian citizens, depending upon what activity takes place within the company after its incorporation.

For this reason I think the sponsor of the bill is in error when he says that a change in the directorship of the company must be effected by way of amending legislation in a future session. That is not so. What may take place is contained in the bill at the moment, the same as with all companies. I agree with the contention of the hon. member for Parry Sound-Muskoka that a better course to follow would be to do this by way of general legislation which would apply equally to all companies incorporated in this fashion. I think, as I said earlier, that there should be an extension of this principle to companies which are incorporated not only by way of private act but under the Companies Act.

However, we do not have that sort of general legislation. If the Prime Minister really believed what he stated on a number of occasions before the last general election, then perhaps general legislation would have been introduced in this parliament to put into practice and effect the principles which he espoused and which he said were part of the Conservative program. But we have not any general legislation; we have not any indication from the government that it really believes in this sort of approach.

At the last session of parliament after long, long debate and disagreement, and some hard feelings perhaps—which I hope have now gone—we established this principle with respect to the Aurora Pipe Line Company.

That amendment, which is exactly the same as this, was accepted by the committee. This year a similar bill has been passed with respect to Polaris pipe lines, I believe sponsored by the hon. member for Peace River. The bill with respect to that company contains a provision akin to that which is before the committee at the moment.

I think the amendment would not cause hardship to anyone. I am sure the people named in clause 1 of the bill, who will be the corporation itself, would not object one bit to this amendment. The hon. member for Winnipeg North has said that they are outstanding, fine citizens in the community of Winnipeg. There is no question in my mind that they would say, "Yes, we welcome such an amendment to this bill, because that is what we believe in as Canadian citizens; we believe that the corporate structure in Canada should be that way".

I have heard no real, valid reason why we should not proceed with this particular amendment. If there were valid reasons, surely they would have been put forward and propounded when we moved a similar amendment with respect to the incorporation of Aurora pipe lines, which of course was not a family company in any sense of the word. But there was no objection last year; the committee unanimously said, "Yes, this is a fine principle to have established with respect to Aurora pipe lines". If it is a fine principle, why do we not now adopt with respect to Brock Acceptance Limited and other companies which are incorporated in the future in similar fashion? Why do we not now accept this principle, in the hope that the government itself will come along with legislation of a general nature so that we will have the principle established and will not have to go through this process bill after bill after bill and remind the government that we are attempting to put its promises into effect; promises, incidentally, which coincide with our concepts and ideas.

Mr. Smith (Winnipeg North): Mr. Speaker, I should like to say just one or two words about the remarks of the hon. member for Skeena for whom I have a very high regard. As I pointed out at the beginning of my remarks, I wanted to hear comments from other hon. members of the house, and I thank the hon. member for Parry Sound-Muskoka and the hon. member for Greenwood (Mr. Macdonnell) for giving very valid reasons as to why this amendment should not be accepted.

I would also like to point out that were we to amend this bill by putting this restriction in it, we could expect that governments in other countries would include the same type of restriction in bills with regard to Canadian companies doing business in those countries. I would point out to the house that in respect of item No. 4 on today's order paper—which is a bill I am also sponsoring—with regard to another company, that company does the majority of its business in the United States of America. It would be rather difficult for us to pass this bill with the amendment and say all these directors must be Canadians, and then come down to item No. 4 and say, "Well, here we have the reverse; therefore we should put in a provision that all directors should be Americans". I think we would find ourselves in a position that could not at anytime be maintained.

I should also like to say in closing that I should like to see the hon. member bring forward some form of bill with regard to directorships of unions operating in Canada affecting directors who are not Canadian citizens and who do not reside in this country.

Mr. Winch: I find it difficult to understand why there should be this opposition to the amendment moved by my hon. friend from Skeena. He is saying that all directors of companies shall at all times be Canadian citizens ordinarily resident in Canada. I cannot understand why there should be any objection to that. I sat through every meeting of the committee on banking and commerce in connection with this matter and as I pointed out at that time, and point out again, I found it most extraordinary that we had before us at one time four private bills, all from Winnipeg. Two of them were completely tied together, the bill which is now before us, Bill No. S-9, and Bill No. S-10. I hope you will allow me to refer to them both for a few moments, Mr. Chairman.

If we take Bill No. S-9 and Bill No. S-10 we shall find that they have identical wording except where they deal with incorporation, and that differs only in the names of the incorporators. In Bill No. S-10 it is Schwartz, Schwartz and Schwartz. In Bill No. S-9 which we are now discussing it is Cohen, Arkin and Arkin. According to the information given to us in the committee this is a combination of family and business completely. Why there should not have been just one bill brought in on a combination of family businesses I do not know. However, this I do know: that on my questioning in the committee on banking and commerce—and the hon. member for Greenwood was there—there was no intention of any outside Canadian control of Canadian investment and there was no collusion on the basis of operation between the two families, one, Schwartz, Schwartz and Schwartz and the other of Arkin. Surely, therefore, I suggest to the hon. member for Greenwood through you, Mr. Chairman, in view of what he

heard in the committee and in view of this most strange coincidence of these two bills coming in from the same city, dealing with the same business and the same family, there ought not to be any objection to a clause which says that all directors of the companies shall be Canadian citizens.

Mr. Brunsden: On a point of order, Mr. Chairman, the hon. member for Vancouver East insists on discussing in connection with this bill another bill which has not yet been introduced in the house and I respectfully suggest that in so doing he is completely out of order.

Mr. Winch: I respectfully suggest to you, Mr. Chairman, that when we have a bill before us, and one which is to follow identical in terms and having to do with the same business and the same family, changing only the names, I am completely in order in saying that in discussing the one bill we are at liberty to consider how it is related to the other.

The Chairman: On that point of order, I believe the hon. member for Vancouver East is using Bill No. S-10 only as a basis for comparison for discussing matters which come under the amendment being considered. As long as he does not get into the principle or the details of the other bill I think he would be in order.

Mr. Pitman: I should like to say a few words on this amendment. It seems to me that we have spent a great deal of time in the last few days talking about ownership. The whole tenor of the argument used by the Minister of Justice was that we were seeking to secure information and that as a result of obtaining this information we would be able to ascertain the extent of foreign control over the various business enterprises which we have in Canada. Although this is not the kind of company which would come under the disclosure bill which we have passed, and which this group vigorously opposed at some points, the Minister of Justice indicated nevertheless that this kind of information would be sought from companies which came under other types of legislation, banks, transportation companies and so on. The whole intent was to convince this house that this was an important first step toward understanding the nature of our economy in order that no more foreign control would take place.

I was interested in the argument of the hon. member for Winnipeg North when he said that if we voted for this kind of amendment whereby we tried to determine that Canadian directors would be in control of this particular company this would be a very dangerous thing, because possibly the United States would demand that the same thing be done. If we follow this argument logically it completely destroys the proposition which the Minister of Justice was putting before us last week during the discussion of the disclosure bill. He gave us to believe that legislation would follow this bill and that once we had determined the extent of this control we would take measures to try to handle it. If we follow the reasoning put forward in the discussion of this bill it negates every concept which the Minister of Justice was putting before us last week.

We are not trying to be perverse in the discussion of this seemingly small and unimportant piece of legislation, in the eyes of many members of the house. We are trying to adopt the principle which this government has placed before us and which we agree with. Our whole attitude toward the disclosure bill was not that this was undesirable in itself but that the bill would not do what it purported to do—that it was not going far enough. Most of the speeches we made during the discussion of that bill in committee were to the effect that we already had a tremendous amount of information from the dominion bureau of statistics as to the extent of foreign control over our enterprises—92 per cent over the rubber industry, 65 per cent in certain areas of secondary manufacturing, and so on. The whole suggestion was that once we had more information under this bill we would do something about it. We said we already had information over some 30 years and unless the government was going to prove by some piece of action that it was going to do something we were unconvinced.

Last year there was a long and rigorous discussion having to do with Aurora pipe lines before it was finally incorporated, and we tried to encourage Canadian ownership and Canadian directors there. I wonder if the hon. member for Winnipeg North would be willing to accept another kind of amendment, an amendment which stated that the majority of the directors of the Brock Acceptance Company should be Canadian. This, surely, is not one which could possibly be looked upon with disfavour by anyone. We in this corner believe implicitly in what the hon. member said, that this is a respectable and forward-looking group in Winnipeg which is going to do something for the financial stature of that community. We accept this. But surely he would not be unwilling to agree that the majority of the directors of the firm should be Canadians.

Mr. Morton: Mr. Chairman, I am surprised that this amendment is brought forward at this date. No matter how valid the general premise may be or how worthy the general

principle may be, this amendment in application to this company is discriminatory. If the group who have brought in the amendment were sincere in this request they would have raised the matter in committee. Certain questions were raised but not with respect to all the directors. At that time the sponsor would have been able to provide an answer concerning whether or not there would be objection. He is now unable to obtain that information and is not in a position to give an answer.

Mr. Winch: Will they object to this?

Mr. Morton: I assure the hon. gentleman I have no objection to the general principle but I object to this attempt to discriminate against one company that happens to come before the house at a particular time. I believe it is wrong to apply against one company a general principle not applicable to all similar companies. I do not think the committee should be put in the unreasonable position of acting in the arbitrary fashion suggested.

Mr. Winch: Will the hon. gentleman permit a question?

Mr. Morton: Certainly.

Mr. Winch: This company has to come before the House of Commons to get this authority. Am I not correct in saying they could have gone before the legislature of Manitoba and obtained the same authority?

Mr. Morton: If the hon. gentleman will recall the answer that was given, it was a matter of policy that they should be required to come before parliament in order that there should be more control over companies of this type. I think the company has every right to come to the house and be given the same treatment as any other company that comes before us.

Mr. Winch: Could they not have obtained the same authority under an act of the Manitoba legislature?

Mr. Morton: Technically, no. They could have obtained authority to act within the province of Manitoba but if they wish to go outside the province, as they may wish to do, they would require a federal charter.

Mr. Winch: Where is authority for that statement to be found?

Mr. Morton: It is a matter of jurisdiction.

Mr. Smith (Winnipeg North): I believe the hon. member for Peterborough, who can correct me if I am wrong, mentioned something to the effect that this amendment would ensure Canadian control of this company and that these people would desire this amendment. May I say to the hon. gentleman that these people are, have been and always will be Canadians. Anything they can do in this business will be, and anything they have done in any other business has been for the benefit not only of the city of Winnipeg and province of Manitoba but every Canadian in this country; and this will continue to be so. The hon. member need have no worry about that.

Mr. Howard: The emotionalism exhibited by the hon. member for Davenport and the sponsor of the bill indicates they are on the wrong track. This amendment has nothing to do with the individuals concerned.

Mr. McCleave: It is anti-Semitism.

Mr. Howard: The sponsor said they are Canadians, which is fine and dandy. We are concerned with the principle that the directors at all times should be Canadian citizens.

Mr. Macdonnell: Would the hon. member not agree that the principle of the amendment has everything to do with them?

Mr. Howard: It would if they were not Canadian citizens. It would mean they could not be on the board of directors. These are the directors of the company. They are fine, outstanding Canadian citizens and there is no argument about that at all. We say that the directors at all times should be Canadian citizens ordinarily resident in Canada. It will apply to these directors as long as they are directors, and it will also apply to the company and future directors. The emotionalism displayed by the two hon. gentlemen about the individuals concerned reveals they are on the wrong track. This is not a discriminatory approach as the hon. member for Davenport indicated.

We have only one bill before us, which is all we can deal with. We draw a distinction between this bill and the next with respect to which we propose to move exactly the same amendment. We can deal only with the bill before us. If that is discrimination, every hon. member discriminates when he participates in any debate on the measure then before the house.

The hon. member for Winnipeg North did not answer the question of the hon. member for Peterborough. Would he be prepared to accept an amendment which would say the majority of directors shall be Canadian citizens if the present amendment is so objectionable?

Amendment (Mr. Howard) negatived: Yeas, 4; nays, 30.

Mr. Peters: Mr. Chairman, we believe this is an important principle.

The Chairman: Order. I am sorry to interrupt the hon. member but it is now six o'clock.

It being six o'clock it is my duty to rise, report progress and request leave to sit again at the next sitting of the house.

Mr. McCleave: You fellows hate Quebec, don't you?

Clause 2 stands.

Progress reported.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. Donald M. Fleming (Minister of Finance) moved:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

He said: Mr. Speaker, this evening I present my sixth budget. There were as well the financial proposals introduced on December 6, 1957. Each has been designed to serve a long range goal; each has been fashioned also to meet the needs and conditions of its own time. The goal I defined in these words:

The abiding goal of our fiscal policy is the maintenance of a sustainable rate of growth in terms of employment, development of resources, and a sound dollar.

Budgets are normally annual. The fiscal program for the year must be adapted to existing economic conditions. These in an open dynamic and sensitive economy like Canada's are always changing. Flexibility must therefore characterize our financial programs. Adaptation has marked our annual budget programs in these past five years, adaptation to conditions, adaptation to change.

Je suis heureux de signaler que les circonstances dans lesquelles se présente ce budget du Canada sont une prospérité grandissante, un nombre accru d'emplois, de plus grandes possibilités et une rapide croissance économique. La politique énoncée dans ce budget demeurera expansionniste, adaptée à la conjoncture économique nationale. Telle est la note dominante de mon discours.

I am happy to report that the circumstances attending this Canadian budget are rising prosperity, more jobs, greater opportunities, and rapid economic growth. The policy expressed in this budget will continue to be expansionist, suited to our national economic circumstances. This is my keynote.

[The Chairman.]

GOVERNMENT ACCOUNTS 1961-62

The financial transactions of the government for the fiscal year which ended on March 31 are set forth and analysed in detail in the white paper which was tabled and published yesterday. I need therefore refer to them only briefly this evening. The figures presently available are, of course, subject to some changes, since many payments must still be made and the final figures will not be available until the accounts for the year have been closed and audited.

In my last previous budget ten months ago I forecast revenues for the fiscal year ended March 31 at $5,765 million. Our current estimate is $5,772 million, an increase of $7 million, within one eighth of one per cent of the forecast. Expenditures which were forecast at $6,415 million have turned out to be $6,563 million, an increase of $148 million, or 2¼ per cent. More than four fifths of this excess is due, however, to events and policy decisions which could not have been foreseen when the earlier budget was presented. There has been an increase of $40 million in defence expenditures resulting from policy decisions made and announced at the time of the Berlin crisis last August, and the abnormally low crop yields on the prairies required an increase of $40 million in statutory disbursements under the Prairie Farm Assistance Act and resulted in the decision in this present session to provide further payments of $42 million to western grain producers. Apart from these three items expenditures for the past year were about $25 million, or two fifths of one per cent higher than originally forecast.

The budgetary deficit for the year just ended is thus $791 million, or $141 million greater than last June's estimate, due to the cost of the unforeseen events to which I have just referred. These additional costs received the unanimous approval of the house, except perhaps for certain hon. members who argued that they should have been considerably greater.

Our non-budgetary receipts and disbursements have differed considerably from the figures I put forward in June, but it will be recalled that my June budget statement explicitly excluded any forecast of unpredictable changes in the exchange fund. Last June I expected an over-all cash requirement of $980 million. It now appears that our over-all cash deficit has been only $479 million. This reduction of $500 million in our cash requirements is largely the result of repayments of more than $240 million from earlier advances to the exchange fund, a reduction of about $40 million in the advances anticipated under the National Housing Act due to market sales by Central Mortgage and Housing Corporation

of over $40 million of existing mortgages, a decrease in loans to Canadian National Railways of some $40 million, and the repayment of $67 million of advances to the unemployment insurance commission. As a result of the reorganization of the unemployment insurance fund to which I referred last June we have replaced cash advances to the unemployment insurance commission by the purchase of its former portfolio and by redemptions from its holdings of non-marketable bonds.

In conformity with the Old Age Security Act I should also report to the house the current position of the old age security fund. Details of this are set forth on pages 2805 and 2806 of the white paper. In brief, the revenues of the fund under the statute for the past year have been $649 million, the pension payments including the increase to $65 a month effective February 1, 1962, have totalled $625 million resulting in a surplus for the year of $24 million. There was, however, an outstanding loan to the fund by the Minister of Finance of $17 million a year ago. This was repaid, leaving a surplus of $7 million.

For the new fiscal year, 1962-63, total benefit payments under the Old Age Security Act will be about $736 million, revenues under the act will be about $672 million which will result in a deficit for the year of $64 million and an accumulated deficit of $57 million. We shall be giving this subject further consideration in the light of future policy decisions regarding social welfare pension plans following the present consultation with the provinces as to a constitutional amendment to permit parliament to legislate a contributory plan with survivors' benefits. Studies in relation to portability of pensions also are being actively pursued.

ECONOMIC REVIEW

It is a source of satisfaction to be able to report to the house, first, that the Canadian economy is experiencing healthy expansion; second, that this expansion is considerably more rapid than in the last similar period and that our international trade and payments are in better balance than they have been for many years; third, that measures taken by this government are contributing constructively and decisively to these developments; and fourth, that given continuation and adaptation of these measures this new fiscal year, we have good reason to expect substantial further economic growth and prosperity.

The increase in levels of economic activity during the course of 1961 has indeed been impressive. The gross national product, expressed at annual rates, increased from the first quarter of the year to the fourth quarter by $2.4 billion, a gain of 7 per cent. From March to December 1961, the index of industrial output rose by more than 9 per cent. By the year end it was nearly 5 per cent higher than it had ever been before. Particularly sharp advances were achieved in the output of certain types of heavy industry. For example, production of steel ingots in 1961 was 12 per cent greater than in 1960, and reached a record high of almost 6½ million tons. Over the past five years output of this basic product has increased by 23 per cent, and the capacity of the entire industry has been expanded, broadened and diversified. Today this industry is meeting more of our domestic needs. In 1956 Canadian producers supplied 70 per cent of our steel requirements; since then this proportion has risen to approximately 80 per cent. A wide range of primary and secondary steel products previously supplied from abroad, such as heavy steel shapes and large diameter pipe, is now being produced in Canadian mills. Our exports of steel products have also been higher. This is but one example of the many industries in Canada which have been progressing and developing notwithstanding the changing world economic environment.

Mining output, too, has reached new peaks, rising sharply in the course of the past year. The largest increases have been in the production of nickel, asbestos, natural gas and petroleum.

Exports of Canadian goods rose sharply in 1961, and in the fourth quarter of 1961 reached a level of $6,256 million, seasonally adjusted at annual rates, 19 per cent above the level achieved in the fourth quarter of 1960. The house is well aware of the success which has crowned our efforts to expand sales of agricultural products, especially wheat. But the house may not be fully aware of the substantial increases which have taken place in sales abroad of other Canadian products such as livestock, cotton textiles, industrial machinery, electrical apparatus, petroleum, nickel, basic plastics, asbestos and chemicals. The increases in the exports of these products in 1961 over 1960 have exceeded $150 million.

In response to the quickened tempo of economic activity in 1961, employment increased substantially. In 1960, when all of the gain in employment took place in the service industries, women accounted for most of the increase, but in 1961 increased employment in manufacturing was particularly significant and it involved a substantial growth in male employment. In February 1962 there were 196,000 more people employed in Canada than a year earlier, and of these 164,000 were

men. Accordingly there was a significant drop in the rate of unemployment, particularly among men.

Largely as a result of this increase in employment labour income increased markedly during 1961. Over the eight months from April to December 1961, the increase in labour income equalled that of the 15 preceding months. Business profits increased sharply as well, and by the fourth quarter of 1961 had reached a new peak of $3.8 billion, 4 per cent higher than ever before.

Increased incomes encouraged increased consumer spending which rose by over $800 million during 1961. By the end of 1961, the level of consumer spending was nearly 8 per cent higher than it had been at the previous peak of business activity.

This acceleration in the tempo of our economy is highly gratifying. The rate of expansion during the last nine months of 1961 was more rapid than in comparable stages of the preceding cyclical advance in 1958. During the first nine months of the previous expansion the volume of non-farm output increased by only about 3 per cent. During the first nine months of the present expansion, the increase has been almost 5 per cent. The expansion which we have enjoyed in 1961 has already taken the volume of non-farm output to a level 4 per cent higher than the previous peak. By a similar point in the previous expansion the volume of non-farm output was about 1½ per cent above its previous peak.

All too often in the past a resurgence in economic activity has been accompanied by substantial increase in prices. Happily, this has not been our experience in 1961. During the last nine months of 1961 the consumer price index increased by only half of 1 per cent, while in the comparable period of the previous advance it went up by 1½ per cent. Having in mind our very proper concern over the dangers of inflation I am sure the house and the people of Canada will welcome such striking evidence of price stability.

A little earlier, Mr. Speaker, I outlined the substantial growth in exports which was achieved in 1961. Imports of goods increased in 1961 by 3 per cent amounting to $5,717 million with most of the increase occurring in the later months of the year. A substantial increase in imports is quite normal during a business upturn. But contrary to previous experience, exports have increased much more rapidly than imports. As a result we were able to achieve a sizeable trading surplus on merchandise account totalling $179 million. This is the first favourable balance of trade of any consequence that this country has achieved in the last ten years and is in contrast to a record deficit on merchandise account of $728 million in 1956. This improvement in our trade position was more than sufficient to offset an increase in our deficit on non-merchandise account. Consequently the total current account deficit in the balance of payments was reduced to $989 million in 1961. This represents a 19 per cent reduction from the deficit in 1960 and a 28 per cent reduction from the deficit in 1956. In fact the deficit in 1961 was the lowest since 1955.

The growth of our economy in recent years has revealed itself in a number of other ways besides the improvement in our balance of payments. In fact, Mr. Speaker, key economic statistics adjusted for normal seasonal trends show that our record is better than that of either of our major trading partners, Great Britain and the United States. From 1957 to the end of 1961 industrial production in the United States increased by 15 per cent, while in Great Britain it increased by 12 per cent; in Canada it grew by more than 16 per cent. During this same period total British exports rose less than 8 per cent and total United States exports less than 6 per cent; Canadian exports in the same period surged forward by more than 30 per cent. Employment in both Great Britain and the United States increased by about 3 per cent; employment in Canada grew by almost 8 per cent. At the same time prices increased less in Canada than in either Great Britain or the United States.

This marked improvement in our economic situation has not happened by chance. In my budget speech last June I said that the cyclical recovery which was beginning to appear at that time was likely to be weak and unsatisfactory unless there was some positive government stimulus. I affirmed that an appropriate blending of fiscal, financial and commercial policies was required to impart an impetus to the economy, to employ unused productive capacity, to stimulate growth, to increase trade and thus to expand employment opportunities for our people. Since then we have witnessed a major expansion. The vigour of the expansion that has occurred is due in no small measure to the blend of sound, strong policies we have introduced. While many of these policies have been directed towards particular situations of a specific nature, they have been part of a coherent and co-ordinated approach to the broad objective of improving the performance of the Canadian economy in both the short run and the long run.

In the short run we had as our objective the expansion of domestic demand to take up the slack in the productive resources of the country. To this end we planned and incurred a substantial fiscal deficit. As I explained

to the house in my last budget speech, by means of such a deficit the government places in the hands of the public more purchasing power than it draws from it. The increased demand thus generated encourages higher levels of production and employment.

A deficit appropriate in size to economic circumstances such as we have confronted may result from a variety of fiscal measures. Tax cuts, increases in direct expenditures by the government on goods and services, and increases in transfer payments to persons or to other levels of government, may be used singly or in combination. This government has, as you know, made significant tax cuts in order to stimulate consumer demand. Generally speaking there have been only moderate increases in total direct government expenditures on goods and services. Total expenditures on goods and services by the federal government have been a smaller proportion of gross national expenditure in 1961 than they were in 1956. Our most important contribution to the expansion of purchasing power, demand and economic growth, throughout the length and breadth of the country has been through increases in welfare payments and in transfer payments to provinces and municipalities. We have greatly increased payments to meet the needs of old persons, of veterans, of the unemployed. We have consistently chosen to augment the incomes of these people. We have also provided large sums of money for the income maintenance of both farmers and fishermen. Similarly, this government has greatly aided provincial and municipal governments in finding the funds to provide adequate services in their areas of responsibility. Consequently we have given priority to their needs over increases in our own direct federal expenditures. Payments out of the federal treasury to individuals increased by 65 per cent from 1,224 million in 1956 to 2,014 million in 1961. Payments out of the federal treasury to provincial and municipal governments rose over 130 per cent from 485 million in 1956 to 1,123 million in 1961. These increased payments provided a significant stimulus to the whole economy as well as enormous assistance to the other two levels of government in this country.

The stimulation of demand is a desirable objective when there are pools of unused productive resources in the country. But in the long run more is required than mere expansion of demand. People must steadily become more skilled and versatile in order to compete in this increasingly complex world of technological revolution. And they must have at their disposal modern plants and equipment, efficient transportation, abundant fuel and power, all provided at reasonable cost. Our policies have been designed to meet these requirements. In co-operation with the provinces we have encouraged and heavily financed basic and advanced training in technical and vocational schools. We have greatly increased our financial assistance to universities in support of higher education for a greater proportion of our young people. During the fiscal year ended March 31 we have spent on these programs alone about $80 million, four times more than was spent five years ago. As already announced, we shall be adding substantially to these contributions in the new fiscal year.

Parallel to this policy of improving the technical skills of our people, we have encouraged the modernization and diversification of our industry. Special capital cost allowances for re-equipment and modernization and double depreciation allowances for products new to Canada or new to designated areas of surplus manpower were introduced in the last two budgets to stimulate expenditures on plant and equipment. The establishment of a productivity council and the introduction last year of special incentives to private research are improving the output of Canadian industry. Later this evening I shall be making further proposals to stimulate technological research and development.

The government has pursued a vigorous policy of developing Canadian resources in all parts of the country. The national oil policy has, by providing markets for oil at home and abroad, brought about a substantial increase in production of this important source of energy. In recent weeks we have taken the initiative in exploring in co-operation with the provinces the technical problems of long distance, high voltage transmission systems for electric power.

The establishment of a new federal Department of Forestry reflects the interest of the government in this valuable Canadian resource and its determination to help in ensuring that Canadians will benefit to the maximum extent possible from the future growth of world markets in wood and wood products. Action has been taken to push the frontiers northward and to improve the opportunities for exploiting the riches, particularly the mineral resources, in our more remote areas. The roads to resources program and the recent legislation for the construction of the Pine Point, Gaspe and northern Manitoba-Optic lake railways are striking examples of the government's vigorous effort in this field.

In addition to these and many other projects which are already under way, the government has taken action which holds the promise that an extensive but well-balanced program for the development of Canadian resources will

continue apace in the future. In October of last year, the resources for tomorrow conference held in Montreal provided a unique opportunity for an intensive survey and study of the potential for Canadian development of renewable resources. The benefits from this broad assessment of opportunities and challenges will be felt increasingly in years to come as Canadians bend to the task of managing our land, water and forest resources. As a first step in the government's comprehensive approach, the Agricultural Rehabilitation and Development Act was designed to make the most effective use of our land, to raise the productivity of our agricultural resources, and to provide for rural adjustment and better income opportunities in rural areas.

Measures related to the functioning of our capital markets have assisted Canadian business to find from domestic sources the capital necessary to expand both production and exports. The wide expansion of activities by the Industrial Development Bank is now providing capital to small and medium sized business at the rate of $100 million a year. In the 1957 fiscal year the bank approved 401 loans totalling $30 million; in the 1961 fiscal year the bank approved 1,364 loans amounting to $71 million. In the past three years ten new branches have been opened and the bank now has 16 regional offices doing business across the country. The new policy of guaranteeing term loans to small businesses by the chartered banks is rapidly achieving results. Export Credits Insurance Corporation has experienced a fourfold expansion of business over the past few years. These are some of the results that testify to the vigour of the government's measures.

In addition, improvements in the field of debt management, combined with a policy of monetary expansion pursued by the Bank of Canada, have improved our capital markets. In spite of a large increase in the total demands on our capital markets last year, and in spite of a reduction in the inflow of foreign capital to supplement our own financial resources, interest rates in this country are now lower than they were a year ago. The spread between interest rates in Canada and those in the United States has narrowed. Consequently the incentive to capital inflows has been considerably reduced. Later this evening I shall discuss in some detail our exchange rate policy and the beneficial results it is achieving. At this point I shall say only that, largely as a result of the reduction in the external value of the Canadian dollar, prices of Canadian goods are more competitive at home and abroad, and Canadian production is being effectively stimulated.

In connection with these financial developments I should like to express my warm appreciation of the assistance I have received from the Bank of Canada. At the time of Mr. Rasminsky's appointment as governor last July he and I, in separate statements, agreed that a judicious and co-ordinated combination of monetary, fiscal and debt management policies was needed for the promotion of national economic growth and prosperity. We both emphasized the importance of regular and close consultation in order to achieve that co-ordination of policies. Since his appointment the governor and I have held regular meetings at least once a week, and I have profited greatly from our exchange of views and information.

Let me turn to the future, Mr. Speaker. Recent economic developments have been encouraging, but we must not be complacent. We still have unused capacity in our industry; seasonally adjusted unemployment fell from 7.8 per cent in February 1961 to 6.0 per cent in February 1962, but this gratifying reduction must be carried much further; and our balance of payments position needs to be still further improved. The economic upswing which we are enjoying is strong, but we must not be content to assume that it will automatically carry forward to the point where our productive capacity is fully utilized. The co-ordinated policies announced last summer were good and our resulting progress has been vigorous. However, that progress has not yet reached a point where a fundamental change in approach is required, we must be careful to avoid a premature dampening down of the upswing which is under way. Fiscal policy must continue to provide stimulus to the economy and further specific measures must be introduced to improve the quality and quantity of our industrial output, thereby stimulating employment and income. These are matters to which I shall return a little later.

The momentum of the upswing now under way, reinforced by the measures already introduced and by others to be announced tonight, will carry the level of economic activity in Canada to record heights. Assuming normal crops and no unforeseen adverse events, I expect that the growth in gross national product from 1961 to 1962 will be about 7 per cent. An increase of this magnitude has been exceeded only twice in the last ten years.

Mr. Speaker, I had expected at this point to say something at length on the subject of international economic developments, but unless the house is prepared to extend the time of this evening's sitting there will not be time for that chapter.

MANAGEMENT OF THE PUBLIC DEBT

During the past fiscal year we have introduced a number of significant changes in the management of the public debt which

have lent strength and stability to the bond market. The fluctuations in market yields of government securities have been quite moderate, the trend of interest rates has been downward and the differential between yields on United States and Canadian government securities has been substantially narrowed. The results have been very beneficial to the Canadian economy.

In the past 12 months total sales of new issues of government bonds have amounted to $3,451 million, of which $2,233 million were market issues and $1,218 million were non-market issues, mostly Canada savings bonds. On the other hand $549 million of market bonds matured and were paid off, $883 million were retired by advance refunding, $486 million were acquired and cancelled prior to maturity, and $676 million of non-market bonds were encashed. The net result is that the outstanding amount of market bonds increased by $315 million and of non-market bonds by $542 million. Mr. Speaker, the table which I should ask leave to have printed in *Hansard* at this point contains the more detailed statistics of these issues and retirements.

Mr. Speaker: Has the minister leave to incorporate the table just referred to at this point in his speech?

Some hon. Members: Agreed.

[*Editor's note: The table referred to above is as follows:*]

TABLE 1

Bond Issues—Fiscal Year 1961-62
(in millions of dollars)

Market Bonds			
New issues		2,233	
less: Matured	549		
Advance Refundings ..	883		
Purchased and Cancelled prior to maturity	486	1,918	
Net increase			315
Non-Market Bonds			
Sold to Unemployment Insurance Commission	162		
Canada Savings Bonds	1,056	1,218	
less: Redemptions			
Unemployment Insurance Commission	109		
Canada Savings Bonds	567	676	
Net Increase			542
Total Increase			857

Mr. Speaker: Having regard to past experience there may be other tables, and there might be an economy of time if the house would concur now in the incorporation of such other tables as the minister may introduce. Agreed?

Mr. Chevrier: No, Mr. Speaker, I think we should see these tables.

Some hon. Members: Oh, oh.

Some hon. Members: Shame.

Mr. Fleming (Eglinton): Let me say very simply, Mr. Speaker, that in the matter of economy of time the speech I have prepared, as I have indicated, could not be completed unless the house were prepared to extend the time of sitting, as I wish to make it a firm rule that there should be a reasonable time left for reply by the opposition tonight.

Hon. L. B. Pearson (Leader of the Opposition): On that point, Mr. Speaker, the minister will know that we have already agreed to the extension of his time on this subject. When we talk about tables not being printed automatically in *Hansard*, of course if they are long tables they should go in, but if they are short ones naturally the minister would like to read them.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I would just like to say on behalf of this group that we will agree to the minister's time being extended provided he agrees on behalf of the government to permit this budget debate to be continued tomorrow, and continued without interruption for six days as provided by the rules.

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): In my budget speech last June I said that in order to avoid congestion in the long term bond market we would for at least several months confine new federal issues to short term bonds. During the past nine months we have issued no long term bonds; $375 million ranging in term from 5¼ to 6 years were placed directly with the Bank of Canada, and the terms of all other market issues in no case exceeded 3½ years. This policy of not issuing long term bonds has rendered important assistance to the provinces and municipalities and to corporations in meeting their long term capital requirements. We intend to continue a debt management program that will promote a sound and orderly investment market and investor confidence.

As announced in the June budget, we purchased last September at their book value all bonds held in the unemployment insurance fund and out of these proceeds, plus its net revenues in October and November, the unemployment insurance commission repaid to the treasury the $67 million of cash advances previously made to the fund and purchased $162 million of non-marketable

bonds redeemable at par at any time on 30 days' notice. Of these non-marketable bonds $109 million have since been encashed.

The June budget also announced that we would establish a purchase fund to provide for the orderly retirement of government debt and at the same time contribute to the stability of the longer term bond market. The initial amount made available to the purchase fund was $100 million, and in September the house was informed that we would not limit our purchase fund operations to this amount. To date the purchase fund has acquired $166 million par value of long term bonds in the market at a cost of $157 million, and all these bonds have been cancelled. I propose to continue to operate the purchase fund during the coming year.

I should like to refer to the increasing popularity and effectiveness of our Canada savings bond issues. In recent years individuals of moderate incomes have shown increasing interest in investing a substantial amount of their savings in Canada savings bonds. At the end of 1957 the outstanding amount of Canada savings bonds was $2,649 million, which was about $100 million greater than a year earlier. During 1958 the holdings of Canada savings bonds increased by $250 million, in 1959 by $300 million, in 1960 by almost $400 million and in 1961 by nearly $500 million. The total holdings of Canada savings bonds on December 31, 1961 was $4,080 million, a net increase of $1,539 million in five years.

Interest rates on government securities have declined during the past year. The average interest rate on three month treasury bills during March, 1962 was 3.09 per cent, or one eighth per cent below the rate in March, 1961. Between the same periods the yields on two to ten year bonds have dropped by about three quarter per cent, and on over ten year bonds by one quarter to one half per cent. Of even greater significance has been the narrowing of the spread between interest yields on United States and Canadian government issues. The spread between average Canadian and American treasury bill yields during March, 1961 was 0.83 per cent, during the past month it has been 0.36 per cent. In the long term bond area the spread during the first half of 1961 was between 1.25 and 1.40 per cent; from July to September the spread was around 1.00 per cent and during the past month it has averaged 0.89 per cent.

The total net government debt is now $13.2 billion. This amounts to $712 per capita as compared with $685 a year ago, $701 in 1956 and $774 in 1952. As a percentage of gross national product our net debt now stands at 35.9 per cent as compared with 34.6 per cent a year ago, 41.6 per cent in 1956 and 52.8 per cent in 1952.

The net interest cost of our net debt in the current year has been 3.77 per cent, a decline from 3.80 per cent a year ago and 4.10 per cent two years ago. The average term of our outstanding debt, excluding Canada savings bonds and perpetuals, was 8.3 years on December 31, 1961. In 1960 it was 9.4 years, in 1956 6.6 years and in 1952 6.8 years.

Mr. Speaker, may I insert here in *Hansard* three tables showing details of the figures in regard to debt.

Mr. Speaker: Does the house agree to the insertion of these tables?

Some hon. Members: Agreed.

[Editor's note: The tables referred to above are as follows:]

TABLE 2

GOVERNMENT OF CANADA

Gross and net direct debt

	Funded Debt	Total Debt	Net Debt	Net Debt	
				Per Capita	As per cent of G.N.P.
	(billion $)	(billion $)	(billion $)	$	
March 31—					
1952	14.7	17.3	11.2	774	52.8
1953	14.8	17.9	11.2	752	46.5
1954	14.6	17.9	11.1	727	44.4
1955	14.5	18.0	11.3	717	45.3
1956	15.4	19.1	11.3	701	41.6
1957	14.4	18.3	11.0	664	36.0
1958	14.2	18.4	11.0	648	34.6
1959	15.6	20.2	11.7	669	35.5
1960	15.9	21.0	12.1	679	34.7
1961	16.1	21.6	12.4	685	34.6
1962	16.9	22.9	13.2	712	35.9

TABLE 3

GOVERNMENT OF CANADA

Interest Cost of Gross and Net Direct Debt

Year ending March 31	Interest paid on Total Debt	Return on Investments	Net Interest	Net Interest as p.c. of Net Debt
	(millions $)	(millions $)	(millions $)	
1952	432	123	309	2.77
1953	451	126	325	2.92
1954	476	152	324	2.91
1955	478	134	344	3.05
1956	493	149	344	3.04
1957	520	207	313	2.85
1958	539	169	370	3.35
1959	606	221	385	3.30
1960	735	239	496	4.10
1961	757	284	473	3.80
1962	804	305	499	3.77

TABLE 4

GOVERNMENT OF CANADA

Maturity and Distribution of Direct and Guaranteed Debt

December 31	Average term of debt*	Amount of Debt held by			P.C. held by Gen. Public
		Banks	Government accounts	General Public	
	Years		($ millions)		
1952	6.8	5,176	1,102	8,909	58.7
1953	6.2	5,184	1,314	9,139	58.4
1954	7.2	5,633	1,204	8,629	55.8
1955	6.3	5,540	1,491	8,969	56.1
1956	6.6	4,950	1,518	8,766	57.5
1957	6.0	5,105	1,367	8,693	57.3
1958	10.3	6,190	1,258	8,968	54.6
1959	9.5	5,487	923	10,725	62.6
1960	9.4	5,801	866	11,080	62.4
1961	8.3	6,669	644	11,323	60.8

* Excluding Canada Savings Bonds and Perpetuals

Mr. Fleming (Eglinton): I continue:

EXCHANGE RATE AND EXCHANGE FUND

At this point it is appropriate to review government policy towards the exchange rate against the background of our balance of international payments and our relations with the International Monetary Fund.

Canada's international economic relations are, I believe, more complex and, in relation to our size, more extensive and pervasive than those of any other country. I have in mind such facts as these. On a per capita basis Canada's trade is the highest among the major trading nations of the world; we have been heavy importers of capital from abroad, which has involved us in a network of international associations and transactions that is unique; and finally, we are geographically very close to, and financially closely linked with, the world's largest and most active capital market—New York.

Because of such factors as these our international financial relations have, throughout our history, presented special problems and special challenges. Canada might be regarded as a classic example of a country for which, because of the diversity of our international interests and obligations, it is extremely difficult to devise and pursue an exchange rate policy that may be regarded as completely satisfactory from every point of view.

In this connection it is relevant to recall actual Canadian experience over the past

40 years. During that time, and apart from the period of wartime controls from 1939 to 1950 there were only about half a dozen years during which the Canadian dollar was securely and effectively fixed in value despite international efforts to introduce general exchange rate stability. Going back to the inter-war period, it will be recalled that Britain led the world back to a gold standard regime of fixed exchange rates in 1925. It was less than four years after that when, as a result of an outflow of capital to the great stock market boom in New York, the Canadian dollar was driven below the maximum discount under the gold standard rules. After Britain and other countries were driven off the gold standard in 1931, the Canadian dollar floated rather unsteadily and unevenly between sterling and the U.S. dollar. Many hon. members will recall that, in December 1931, Canadians had to pay a premium exceeding 20 per cent on the United States dollar, while we could buy sterling at a discount of about the same amount. With the outbreak of war, in September 1939, major currencies including the Canadian dollar were brought under control and stabilized.

During the war period from 1939 to 1945 the Canadian exchange rate was fixed at a level 10 per cent below the U.S. dollar. This period was, however, exceptional not only for Canada, but for other countries. In Canada, as elsewhere, the stability of our currency in relation to other currencies required the support of a complex system of foreign exchange controls and import controls as well.

During the next five years, from 1945 to 1950, Canada continued to pursue a policy of fixing its exchange rate but it could hardly be claimed that this policy was an unqualified success. In the first place, the system of foreign exchange controls was continued and for part of the period a system of import controls was also needed. In the second place, while the official rate was at no time during those years allowed to fluctuate on the basis of market forces, there was, during much of the period, an "outside" or "unofficial" market, available to investors and tourists abroad, where a fluctuating rate acted as a sort of safety valve in relation to controlled dealings at the official rate. In the third place, it was found necessary during that period to alter the official exchange rate on no fewer than three occasions. In 1946 the government of the day removed the 10 per cent premium that had been established on the United States dollar at the outbreak of war; in 1949 it restored the premium of 10 per cent on the U.S. dollar at the same time that Britain and certain other countries depreciated the value of their currencies by 30 per cent; in 1950 the government of the day found itself unable to counteract the inflationary impact of a rapid inflow of capital, based in part on the conviction in many quarters that the rate chosen by the government in 1949 was proving too low, and the Canadian exchange rate was allowed to float free, to find its own level. Within two years, the last vestige of foreign exchange control was abolished.

Continuously since 1950 the Canadian exchange rate has been basically determined by the market forces of supply and demand, as represented in our international transactions on current and capital account. It should be noted that throughout this period the Canadian exchange rate has in fact been much more stable than it was during the preceding five years. Since 1950 the government, using the exchange fund which was set up in 1935, has operated to restrain and smooth out the more rapid movements of the rate in one direction or the other. At no time, throughout the whole period, have the resources of the exchange fund been used aggressively, to push the exchange rate in one direction or the other against market forces.

In my last budget speech, on June 20, 1961, I expressed the desire of the government to see the Canadian dollar move to a lower level as a means of stimulating Canadian production and employment and of lessening our very heavy international deficit. In some quarters my statement was misinterpreted to mean that we were embarking on an aggressive policy in the market designed to drive our exchange rate down. This, as events made clear, was not the case. Actually, as I explained last June and previously, the essential means by which the exchange rate was to be moved to a lower level was to lessen upward pressures that had been exerted by the inflow of certain types of capital.

In this regard our efforts have been successful; I refer in particular to the various actions announced in the budget last June in the field of interest rates, international interest spreads, and debt management, to the measures taken in the interim budget of December 1960 to eliminate special incentives to capital imports, and to the warning which I issued in my budget of March 31, 1960 regarding the risks associated with capital imports. As a result of the removal of excessive pressures, the exchange value of our dollar fell to a lower level after my last budget, and since that time its fluctuations have been relatively narrow. This movement, combined with the other movements which followed my two earlier budgets,

has relieved Canadian producers of a competitive handicap in markets both at home and abroad.

At the same time—and despite certain pessimistic predictions uttered both inside and outside this house—the Canadian cost of living has remained remarkably stable. The confidence of the government that, in the prevailing economic circumstances, a significant movement of the exchange rate could take place without inflation has been fully justified by events.

The government has not hesitated, and will not hesitate in the future, to deploy a substantial volume of funds, on one side of the market or the other, in order to prevent sudden or erratic movements in our exchange rate. In pursuit of this goal we made substantial purchases of United States dollars in the autumn, and we made substantial sales in the early part of this year. The total of our official reserves of gold and United States dollars has risen and fallen by several hundred million dollars. There may well be similar movements in the future; from time to time our cumulative purchases will no doubt substantially exceed our cumulative sales, and vice versa. It may be of interest to the house to know that since my supplementary budget of December 1960, the published figures show that our market sales and purchases have come within $70 million of balancing each other.

The changed level of the exchange rate has unquestionably been an important factor contributing to the improvement of our international current account during 1961, including the emergence of a favourable trade balance after nearly a decade of deficits. In this situation we can take satisfaction; but it would be a mistake to allow satisfaction to develop into over-confidence. Unquestionably, with the changed exchange rate, our imports have risen less in physical volume, and our exports have risen more, than they would otherwise have done. Unquestionably, the lower exchange rate has yet to exert its full effect on our trade balance, our balance of tourist expenditures, and other items in our current balance of payments. Nevertheless our over-all current deficit is larger than it ought to be, even during the upswing of the business cycle. This must remain a matter of concern. And in this context I would renew my appeal to all Canadians, to management and to labour, to keep Canada competitive; to work together in a spirit of partnership; to hold costs down; to develop our skills and improve our technology; to meet foreign competition at home and abroad with efficient and well designed products of our own manufacture; and to persevere in the drive to expand exports. It is in these fields that the continued reduction of our balance of payment deficits must be sought.

In order to complete this review of the exchange rate and the balance of payments, Mr. Speaker, I should add a few words in regard to the International Monetary Fund and our relations with it. Canada was a founding member of the fund. The Canadian delegation to the Bretton Woods conference in 1944 played an effective and influential part and, ever since the fund opened for business in 1946, Canada has been an active participant and vigorous supporter. Any country with such widespread and diverse international interests as Canada must, in pursuit of its national objectives, support an organization dedicated to expansion of trade and payments on a multilateral basis, and elimination of restrictions.

It was in 1950, as I have already explained that the Canadian government found itself unable to comply with article IV of the fund agreement under which members are required to maintain fixed exchange rates, subject only to alteration in consultation with the fund if a fundamental disequilibrium develops. At that time when Canada moved from a fixed to a floating exchange rate, and from time to time thereafter, the hope has been expressed by the fund authorities that Canada might find it practicable to rejoin the ranks of those that are in full conformity with this particular article. As was to be expected, this view has been reiterated in our most recent consultations with the fund.

At the same time, it has always been recognized, in recent fund discussions as in earlier ones, that Canada's international economic relations are very complex. The fund is fully aware of the nature of our official operations in the exchange market: that we have responded to and moderated market pressures and that no actions prejudicial to the interest of other countries have been taken.

Moreover, we have played a very active part in making resources available to the fund. When there was a general increase in contributions in 1959 we accepted a higher proportion than most countries; when there was a special call for credits to support sterling last summer we promptly contributed our share; when a new stand-by arrangement for supplementary resources was announced last January, again Canada was found amongst the ten leading industrial countries which participated.

Against such a background of general co-operation, Mr. Speaker, the house will understand why the fund, while naturally and properly retaining the ultimate objective of having Canada declare a fixed exchange rate,

has not been disposed to press us into any hasty action which might prove to be premature or impossible to sustain. We on our part would wish the prospects of success to be more assured than they were when the Canadian government made its ill-starred attempts to maintain fixed rates during the years from 1946 to 1950.

DOMINION-PROVINCIAL RELATIONS

Mr. Speaker, I had hoped to make a statement to the house concerning dominion-provincial relations, but in view of the statement which has been made with regard to unwillingness to extend the hours of sitting I shall have to forgo that and content myself simply by saying that whereas when the government took office—

Mr. Martin (Essex East): May I ask the Minister of Finance if this document has been given to the press?

Mr. Fleming (Eglinton): The usual arrangements with respect to the press have been observed—those which have been prevailing for many years, long years before I came to office as a minister of the crown, the same arrangements as prevailed when the hon. member was a minister.

Some hon. Members: Oh.

Mr. Fleming (Eglinton): Whereas when this government took office the provinces received a tax rental equal to 10 per cent of the federal income tax, this rental was raised to 13 per cent commencing in the fiscal year 1958-59.

The new arrangements provide for a reduction in federal personal income tax of 16 per cent in the first year of the arrangements, rising by 1 per cent each year to 20 per cent in 1966-67. Thus the provinces without imposing any additional burden of taxation will by the last year of the new arrangements be receiving double the share they received when this government took office in 1957.

At the same time the new system of fiscal arrangements provides for a broader and more realistic system of equalization. The result of the new fiscal arrangements will be to increase very substantially the contributions to the provinces by way of unconditional grants or tax abatements. The estimated value of these unconditional grants and abatements to the provinces for 1962-63 is $980 million, an increase of $122 million over last year and of $428 million over 1956-57.

Although the increase in unconditional grants to the provinces since 1956-57 has been large, the increase in conditional grants has been even more rapid. I should like at this point to insert in *Hansard* a table showing the amount of the federal contributions to the provinces and certain payments to institutions in the provinces for the fiscal years 1956-57 to 1961-62 together with the estimated amount for the years 1962-63. Table 5, Mr. Speaker.

Mr. Speaker: Has the minister leave?

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows:*]

TABLE 5

Federal Contributions To or For the Benefit of the Provinces
(in millions of dollars)

	1956–57	1957–58	1958–59	1959–60	1960–61	1961–62 preliminary	1962–63 estimated
A. Unconditional Payments.							
1. Statutory subsidies	22.8	22.0	21.6	21.4	21.0	23.5	23.5
2. Tax Abatements (estimated)	157.3	275.6	275.1	313.8	307.7	313.0	715.9
3. Tax rentals	365.9	213.9	249.0	279.7	288.7	312.6	—
4. Equalization (including stabilization)		139.4	149.1	180.7	192.0	170.0	178.2
5. 50% share of federal Estate Tax	—	—	—	—	—	—	13.3
6. 50% share of Income Tax on Power Utilities	6.6	7.3	8.7	4.8	4.2	6.4	6.5
7. Atlantic Provinces Adjustment grants	—	—	25.0	25.0	25.0	2	35.0
8. Newfoundland Additional Grant	—	—	13.6	7.3	7.7	8.0	8.0
Sub-total	552.6	658.2	742.1	832.7	846.3	858.5	980.4
B. Conditional Payments							
9. Agriculture	0.9	1.0	1.9	6.7	3.8	5.1	4.2
10. Health	36.4	34.6	45.9	46.0	47.9	48.9	49.2
11. Hospital Insurance	—	—	54.7	150.6	188.9	283.3	324.2
12. Welfare	38.4	48.2	74.1	90.8	102.8	139.2	150.8
13. Vocational Training, etc	4.7	4.8	8.1	8.4	8.7	61.0	104.8
14. Highways and Transportation	26.9	50.9	53.7	56.8	54.2	42.2	50.2
15. Resource Development	2.7	4.3	8.7	15.3	17.9	24.0	23.1
16. Municipal Winter Works	—	—	.2	6.6	8.9	24.7	37.9
17. Other	1.0	1.0	1.1	1.6	2.4	3.7	4.8
Sub-total	111.0	144.8	248.4	382.8	435.5	632.1	749.2
C. Payments for the benefit of Provincial Institutions—							
18. University grants (including net value of abatement to Quebec)	16.0	16.6	25.5	26.1	26.7	27.2	37.0
19. Grants to Municipalities in lieu of taxes on federal government property	9.7	17.5	21.9	22.6	24.6	24.9	27.3
Sub-total	25.7	34.1	47.4	48.7	51.3	52.1	64.3
Total	689.3	837.1	1,037.9	1,264.2	1,333.1	1,542.7	1,793.9

Mr. Fleming (Eglinton): It will be seen that the total of all these payments and abatements, conditional and unconditional, is estimated at $1,794 million for 1962-63, more than two and one half times as great as the total of $689 million in 1956-57. Conditional grants as estimated for 1962-63 at $749 million are not far short of seven times the total of $111 million for the fiscal year 1956-57.

This enormous increase in the contributions to the provinces has assisted them directly and indirectly in the provision of essential services and has placed them in a better position to assist their municipalities. It has greatly added to federal financial burdens and has given rise to federal budgetary deficits. In fact, the cumulative increase in these contributions to the provinces over the past five years has been greater than the cumulative budgetary deficits for that period by no less than $376 million. I should like at this point to place in *Hansard* a table which compares the budgetary deficits of the dominion government for the period 1957-58 to 1961-62 with the increase in contributions to or for the benefit of the provinces. Table 6, Mr. Speaker.

Mr. Speaker: Has the minister leave?

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows:*]

TABLE 6

Comparison of Federal Budget Deficits with Increases in Contributions to the Provinces and Certain Payments to Institutions in the Provinces from April 1, 1957

	Budget Deficits		Contributions to Provinces			
Year	Annual	Cumulative	Annual	Increase over base year 1956-57	Cumulative Increase over base year 1956-57	Cumulative Increase in Contributions to Provinces minus Cumulative Budget Deficits
1956-57	—	—	689.3	—	—	—
1957-58	38.6	38.6	837.1	147.8	147.8	109.2
1958-59	609.3	647.9	1,037.9	348.6	496.4	-151.5
1959-60	413.1	1,061.0	1,264.2	574.9	1,071.3	10.3
1960-61	340.4	1,401.4	1,333.1	643.8	1,715.1	313.7
1961-62	791	2,192.4	1,542.7	853.4	2,568.5	376.1

GOVERNMENT ACCOUNTS 1962-63

Mr. Fleming (Eglinton): I turn now to our budget prospects for this new fiscal year. The main estimates for 1962-63 which were tabled on February 12 provide for authorized expenditures of $6,276 million. Since the main estimates were printed the government has announced a number of important additional spending programs. The largest single item is the $110 million increase in old age security benefits which, however, are non-budgetary expenditures. Of the enlarged budgetary expenditures the most important are increases of $12 million in welfare payments to the elderly, the blind and the disabled, of about $38 million in benefits and support to farmers, and $70 million related to the extension of the Freight Rates Reduction Act and the recommendation of the royal commission on transportation. Further supplementaries will have to include in due course the Canadian National and the Trans-Canada Air Lines deficits which are expected to exceed $50 million, and also provision for a renewed winter works program which is likely to cost not less than $35 million. Other costs which are likely to emerge, less probable lapsings, will bring our total budgetary expenditures for 1962-63 to about $6,525 million. This, I am glad to report, is $38 million less than in the year just ended.

The shifts in the pattern of expenditures over the past several years have been significant and highly constructive. The increase in controllable expenditures over the past four years has been firmly restricted. But at the same time many important development programs of expenditure have shown very large increases. For example, in the coming year we are providing $15.5 million for research work in universities, compared with $3.9 million five years ago; a fourfold increase. In addition there will be grants in various areas totalling $8 million specifically provided for direct assistance in industrial research and development, whereas five years ago such provisions did not exist. We are providing $105 million of assistance to technical and vocational training as compared with only $5 million in 1957-58. Appropriations for the development of the north will amount to $41 million, more than double the expenditure of five years ago. The essential development and expansion of air flight safety systems and of efficient airports will cost $126 million in 1962-63 as compared with $68 million in 1957-58. Again, the construction element of our new penal reform program requires over $10 million in 1962-63 compared with less than $1 million in 1957-58. We are providing $54 million, compared with $28 million in 1957-58, for the care of Indians; $37 million, compared with $16 million, for university grants; $51 million, compared with $38 million, for general health and hospital construction grants; $50 million, compared with $35 million, for the Colombo plan; $10 million for assistance to ship construction, whereas no such provision existed in 1957-58; and $17 million for the development and care of our forest resources compared with $10 million in 1957-58. Finally, about $206 million will be provided in 1962-63 for the promotion of agriculture, including the net budgetary cost of the recently announced changes relating to dairy products, compared with $129 million in 1957-58. Last, but by no means least, in the five years ending next March 31 the federal government will have paid to the provinces and relieved all the families and individuals in Canada of their onerous hospital and medical expenses to the extent of over $1,000 million.

I am sure, Mr. Speaker, that hon. members will agree that in the face of such necessary and highly constructive increases the fact that we have held our total controllable expenditures to an average annual increase of

approximately 4 per cent is quite a remarkable achievement and reflects the policy of rigorous examination and control by the treasury board of all items of expenditure.

I should like to add a further word on the size of staff in the public service. Including all civil servants, all prevailing rate and casual employees, and all employees of those crown corporations whose staffs are subject to treasury board control, the rate of growth in the number of employees in the public service during the past four years has been less than half of what it was in the period 1952 to 1956. The numerical increase at December 31, 1956 over 1952 was 23,700, an increase of 3½ per cent per annum. From 1957 to 1961 the total increase has been 11,600 or a growth of only 1½ per cent per annum.

While the size of the public service has been effectively controlled, conditions of service have been steadily improved. The new Civil Service Act came into force on April 1. This legislation confers on staff associations the right to be consulted on pay and conditions of employment. It confers on civil servants the right of entitlement to pay and provides for appeals against administrative actions and the creation of grievance procedures. Since 1957-58 there have been two major adjustments in salaries for all classes of the public service amounting to 22 per cent, and prevailing wages have, of course, continued to be adjusted in accordance with conditions in comparable trades and occupations in outside industry. A rotational pay review system has been developed which will ensure a periodic examination of all classes. Under this system, a third review of salaries is in process with the results for the first group recently announced.

During this period also significant changes were made in the Public Service Superannuation Act to grant pensions on a six-year rather than a ten-year average and a medical insurance plan for public servants, their dependants and members of the regular forces and the Royal Canadian Mounted Police was put into effect. The government as employer pays 50 per cent of the premium cost of this latter provision.

In other words, the improvement in efficiency and economy in government administration and conditions of service since we took office presents a record of which parliament may be justly proud.

On the revenue side we have made the usual careful appraisal of economic trends during the coming year and their effects upon the inflow of budgetary revenues. On the basis of the present tax structure and the economic prospects to which I have already referred I expect that our budgetary revenues in 1962-63 will be $5,830 million which is $58 million greater than in 1961-62. This estimate reflects reductions of $307 million in tax revenues due to the Federal-Provincial Fiscal Arrangements Act of 1961 under which all provinces are now imposing their own income taxes. While we shall be acting as a collecting agent for nine provinces in respect of personal income taxes and eight provinces in respect of corporation income taxes, the provincial revenues that we collect will not in any way appear in our budgetary accounts. All the provinces are now imposing these taxes at rates not less than, and in several provinces at rates higher than our scale of reductions.

May I here insert in *Hansard* a table showing our actual revenues for 1960-61, our estimated revenues for 1961-62 and our forecast of revenues for 1962-63.

Table 7, Mr. Speaker.

Mr. Speaker: Has the minister leave?

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows:*]

TABLE 7

BUDGETARY REVENUES
(in millions of dollars)

	1960-61 Actual	1961-62 Estimated	1962-63 forecast before tax changes
Personal Income Tax	1,711	1,800	1,810
Corporation Income Tax	1,277	1,205	1,190
Non-Resident Tax	88	115	120
Estate Tax	85	85	90
Customs Duties	499	539	550
Sales Tax	721	774	815
Other Duties and Taxes	635	639	630
Total Taxes	5,016	5,157	5,205
Non-Tax Revenues	602	615	625
Total Revenues	5,618	5,772	5,830

Mr. Fleming (Eglinton): With revenues forecast at $5,830 million and expenditures expected to be $6,525 million there would be a budgetary deficit of $695 million if there were no amendments to our present tax structure. I shall, however, be introducing certain tax changes of economic importance which will modify this figure.

TAX POLICY

We are in a period of substantial and healthy expansion, and our fiscal policy must neither put the brakes on the momentum of our expansion nor invite the danger of inflation.

Much of our progress is due to the vigour and skill of our people—farmers, workers and management. Credit is also due to the government's policies of the past 4½ years as reflected both in constructive spending and improvements in our tax laws.

Six out of seven individual income-tax payers in Canada are better off under the present tax rates than they were five years ago. On the basis of the latest statistics I would estimate that out of a total of 5,100,000 taxpayers no fewer than 4,400,000, or 85 per cent, pay less income tax under the present rates than they would have paid under the rates in force before this government came into office. This is quite apart from the 16 per cent abatement in personal income taxes which is provided from the beginning of this year under the federal-provincial fiscal arrangements. Single taxpayers with incomes up to $4,000 now pay less federal income tax, including old age security tax, than they did on the same amount of income in 1957. Married taxpayers without dependants with incomes up to $5,000 now pay less federal income tax, including old age security tax, than they did on the same amount of income in 1957. Married taxpayers supporting two children eligible for family allowances with annual incomes up to $7,500 now pay less federal income tax, including old age security tax, than they paid on the same income in 1957. Thus our policies have brought tax relief to persons of lower and medium incomes.

Since 1957 numerous changes have been made to provide more generous deductions from income on account of medical expenses. The definition of medical expenses has been greatly enlarged by the addition of amounts paid for prescribed drugs and medicines, and numerous medical services and appliances. Formerly there were restrictive upper limits on the amounts deductible as medical expenses, $1,500 for a single person, $2,000 for a married couple and $500 for each dependant. Since 1957 these limitations were abolished.

Since 1957 university students and their parents have been assisted by provisions for the deduction of tuition fees. Amendments have been enacted to allow a student in full time attendance at a university, if he is proceeding towards a degree, to deduct his tuition fees when computing his taxable income. In addition the parent has been allowed to deduct the amount of the university tuition fee from the student's income in determining whether the student qualifies as a dependant. If the student's income after deduction of his fees falls below $950 the parent is now entitled to the $500 exemption.

Since 1957 an amendment has been enacted to encourage corporations to make larger donations to educational institutions and other charitable organizations, by allowing them

to deduct up to 10 per cent of their income for such donations in place of the previous 5 per cent.

Since 1957 the new Estate Tax Act has been introduced. This provides for a simplified form of tax and a reduced burden of death duties, particularly on smaller estates, a result which followed mainly from the generous exemptions. When a husband dies leaving a widow, there is a deductible exemption of $60,000 and there is an additional exemption of $10,000 for each dependant child.

Since 1957 important measures of relief have been introduced to minimize or avoid any combined impact of income tax and estate tax. An individual receiving income in the form of a pension or a pension benefit under a registered retirement savings plan or a payment of a death benefit by an employer upon the death of an employee is now allowed to make a deduction from such payments for income tax purposes if the asset represented by the payments has been subject to estate tax or provincial succession duties.

Since 1957 estate tax relief has been granted where the value of a pension or annuity that was part of an estate is reduced because of marriage or death of the recipient within the four year period normally allowed for reassessment.

Since 1957 an important new departure has been made in connection with gift taxes. In addition to the existing exemptions, an individual is now permitted to make a tax free gift once during his lifetime of up to $10,000 to his wife in the form of ownership of their home or of a farm to his child.

Since 1957, as hon. members are well aware, the special excise tax on automobiles, which was formerly 10 per cent has been repealed. In effect this has relieved taxpayers of a burden of about $90 million per year.

Since 1957 assistance has been given to municipalities by providing them with exemptions from sales taxes on many of their important purchases. These include the materials used in sewage and drainage systems, culverts, chassis for fire trucks, fire hose, structural aluminum and laminated timber for bridges and diesel fuel for use in generating electricity.

Since 1957, in addition, exemptions from sales taxes have been granted in respect of certain materials used in the construction industry, certain equipment purchased by educational institutions, certain machinery used on farms and certain articles needed by disabled persons.

Since 1957 the first bracket of corporation taxable income which is subject to a low rate of tax has been enlarged on two occasions to benefit a large number of small and medium sized companies. This bracket of income was increased from $20,000 to $25,000 in 1958 and to $35,000 in 1961. It is estimated that, on account of these successive enlargements of the lower bracket, some 12,000 companies now pay less tax than they would have paid on the same income in 1957.

Since 1957 the surtax of 4 per cent on investment income has been repealed as applied to income from Canadian sources, in order to encourage investment and to ensure more efficient application of the savings of the Canadian people.

Provision was made last year for a re-equipment and modernization allowance which was designed to assist industry and to stimulate expansion. This is in the form of a 50 per cent increase in the first year in the rate of capital cost allowance in respect of new assets acquired for use in Canada in the period from June 21, 1961 to March 31, 1963.

Employment has been rising rapidly and unemployment falling, but we still have more unemployment than is consistent with our national objectives. Capital investment is picking up sharply, but we need still more. It is important, therefore, not to apply any fiscal brakes at this time by abruptly closing the gap between revenues and expenditures.

On the other hand, prices have been very stable during the past year, and indeed during the past several years. One of my duties as Minister of Finance is the avoidance of inflation with its attendant damage and injustice, and I can assure you, Mr. Speaker, that I shall not neglect that duty. But at the present time, with a good deal of surplus capacity still in our economy and increasingly keen competition in both domestic and external markets, there appears to be little current risk of inflation. It seems to me, therefore, that the deficit I am presently forecasting will provide a sound degree of economic stimulus and at the same time will not endanger the price level during the coming year.

The encouragement of economic growth has been one of the main objectives of the government and it is the central purpose of this budget. One of the new measures is expressly designed as an incentive for further industrial expansion and increased employment. Another is intended to give a significant stimulus to scientific research in industry. Because of their economic nature these measures will offer benefits to industry. They will constitute an important addition to the structure of tax changes which I have brought to this house in recent years. Encouragement and incentive are thus being given to private industry under several related headings, to increase its efficiency, to expand employment, to improve Canada's

competitive position and to keep current with the most advanced technical and scientific methods.

I shall also put before you, Mr. Speaker, a fairly large number of particular tax proposals. To some extent these are of a technical nature. A number of them result from probing into the deficiencies of the tax system in a continuing effort to overcome obstacles to progress and to achieve greater equity among taxpayers.

ESTATE TAX

I have not received many representations asking for changes in the estate tax. This indicates that the Estate Tax Act, sponsored by this government in 1958, is continuing to work well. As is usual, however, experience has revealed the need for a few changes to give relief, to block loopholes or to provide clarification. I am glad to say that of the few amendments I am proposing most are designed to afford relief. I should like to comment on one that is of general interest.

The Estate Tax Act contains provisions for assuring collection of the tax. Where real property situated in Canada is concerned this security is obtained by a provision imposing a lien in respect of tax payable by the successor to the property. This has caused difficulties in certifying that the title to a particular property is clear, especially in those provinces where the Torrens system of land titles is in effect. If the provincial authorities would not permit the registration of the transfer of real property until they were satisfied that the Minister of National Revenue had given his consent to the transfer, for purposes of the estate tax, the provision for imposing the lien would no longer be necessary. I am accordingly proposing that where a federal-provincial agreement to this effect has been entered into, the lien provision shall not apply. The authorities of some provinces have already been acting in the manner intended by an agreement of the kind proposed and I am hopeful that eventually all provinces may wish to co-operate in solving the problem in this way. In the meantime, however, I have come to the conclusion that the existing provision for the lien can be restricted so as to cause much less difficulty in practice.

I am proposing therefore that the cases to which the lien is to apply shall be only those where the records of the land titles or the land registry office concerned show that the deceased person had an interest in the property.

SALES AND EXCISE TAX CHANGES

The changes I am proposing in the sales tax are intended to extend and clarify some existing exemptions and take account of technological changes. In the 1958 budget the list of exemptions for municipalities was extended to include materials used in sewage and drainage systems. Since then the trend has been for municipalities to require subdividers and contractors to install these services. Accordingly, I am proposing that this exemption be extended to include all sewage and drainage materials. The proposed specific exemption for several items used in the fishing industry will clarify the tax exempt status of these articles and extend the exemption to goods used in their manufacture.

It is estimated that these amendments in sales taxes will reduce revenues by $2 million per year.

I referred in my budget speech last year to the increasing tendency on the part of non-resident corporations carrying on business in Canada, and also Canadian corporations which are controlled outside of Canada, to arrange their fire and casualty insurance in respect of risks in Canada through agents or brokers located outside Canada. Certain amendments to the Excise Tax Act were proposed at that time respecting insurance placed with insurers which are not authorized to transact the business of insurance in Canada and such amendments were subsequently made. I also stated at that time that the practice of arranging insurance of risks in Canada through non-resident agents and brokers was being studied and that further steps might be taken, if necessary, to curb this undesirable practice.

Surveys that have recently been made indicate that the practice referred to continues in substantial volume. Since this practice results in loss of taxes otherwise payable in Canada, as well as loss of business, employment and income for persons in Canada, and since the laws and regulations of some other jurisdictions require that insurance covering risks in those jurisdictions be placed only through agents or brokers who are licensed therein, it is proposed to amend the Excise Tax Act further so as to extend the application of the present tax of 10 per cent levied on premiums paid to unauthorized insurers by Canadian residents. The proposed amendment would extend the tax to premiums paid to insurers authorized to transact business in Canada where insurance covering risks in Canada is effected or renewed through an agent or broker or other representative of the insurer outside Canada, subject to certain exceptions. As in the case of the present tax on insurance placed with unauthorized insurers, the new tax will not apply to certain classes of insurance, namely life

insurance, personal accident and sickness insurance, marine insurance, and, to the extent that such insurance is not available in Canada, insurance against nuclear risks.

CUSTOMS TARIFF

On budget night last June I tabled, on behalf of the Prime Minister, a report prepared by Professor V. W. Bladen on the problems of the Canadian automotive industry. At that time I announced that, in accordance with Professor Bladen's recommendations, the special excise tax of 7½ per cent on passenger cars would be removed, effective immediately.

Professor Bladen's other recommendations included a far reaching proposal under which exports of particular parts or vehicles from Canada to other countries would earn, for a manufacturer, free entry for other parts or vehicles. Thus, it was argued, the Canadian industry could be more effectively integrated with industry abroad, and the economies of longer runs and greater output made available here.

I should like to repeat now part of what I said last June about this proposal:

> The government warmly approves these objectives, and it is grateful to Professor Bladen for the constructive and imaginative suggestions that are embodied in his report. Nevertheless, his recommendations relating to tariffs are complex and sweeping, and would require extensive readjustments in the industry. It is essential that those concerned, both management and unions, should have an opportunity to assess not merely the objectives but the desirability and practicability of the means by which these objectives are to be obtained.

The response to our invitation for those concerned to submit detailed comments on Professor Bladen's tariff proposals has been quite extensive, and it is still continuing. Many constructive and helpful comments have been received. They have brought to light a number of practical problems which require further examination. For this reason, and also because the implementation of the remaining recommendations would require extensive modifications of Canada's existing international commitments respecting automobiles and parts, no further action on the Bladen report is being proposed in this budget. Indeed, I am not proposing any changes whatsoever in the automotive schedule at this time, pending completion of our review of the whole problem.

The resolutions which I shall table at the conclusion of my remarks will, however, include proposals for a number of tariff changes. All of them are in a downward direction. In some cases the effect of the proposed amendment is to remove an existing duty; in others, it is to extend the duration of an existing free entry provision which otherwise would expire during the current year.

I am proposing that existing duties be removed from certain preparations used for medical purposes, and from certain materials imported by religious or educational institutions or societies. I am proposing also that several existing free entry provisions having statutory expiry dates of July 1, 1962, be extended. The most important of these items relate to aircraft and aircraft engines of types or sizes not made in Canada. Others relate to uranium and heavy water; conductive shoes for use in hospitals; and sodium borate for use as a fire retardant in combating forest fires.

Before leaving the subject of tariffs, I should like to refer briefly to tariff board reports which were received during the past year, and to two new tariff board references which are contemplated. During 1961 the tariff board completed its work on reference 125 relating to textiles, and submitted the final three reports thereon. These related to coated or impregnated fabrics, miscellaneous textiles, and hats and caps, respectively. The tariff amendments recommended by the board in these reports would affect items which are bound under the general agreement on tariffs and trade. Negotiations now are in progress looking toward securing adjustments in our present international commitments so as to permit the implementation of these recommendations, subject to some minor modifications which are deemed advisable in the light of representations which have been received, subsequent to the hearings. If the negotiations in question should be completed before tonight's resolutions are disposed of by parliament, consideration will be given to the possibility of introducing supplementary resolutions to implement the results.

Of the two new tariff board references which are contemplated, one relates to wire and wire fencing. The other relates to machinery and apparatus used by the Canadian printing industry, including printing presses, engraving machines, bookbinding machines, and printing plates of all kinds. If any interested parties should wish to submit views regarding the scope of either of these proposed references, they are invited to do so.

INCOME TAX CHANGES

I now come to changes in the Income Tax Act.

Personal Income Tax

The first of my proposals pertains to personal income tax. Hon. members will recall that the first fiscal measures I was privileged to place before this house, in December, 1957, included an increase in the amount deductible

for dependants. At that time I announced that the deduction for children eligible for family allowances and for other dependants would be increased by $100. I am now proposing a further increase to $300 on account of a child qualified for family allowance. This is twice the amount of the deduction of $150 in force before 1957. For other dependants the new deduction will be $550. This compares with $400 allowed before 1957.

This further increase in deductions will free completely from income tax about 80,000 taxpayers and will bring a modest tax reduction to all remaining taxpayers who support dependants. Taxpayers who support children over age 16 who are attending school or university will be able to deduct $550 in respect of each dependant child and, as I have previously explained, the amendment introduced last year permits tuition fees to be deducted in determining if a child qualifies as a dependant. This tax relief will reduce budgetary revenue by $26 million in this fiscal year and by $35 million next year. There will also be a reduction in old age security tax revenue of $4 million in this fiscal year and $5 million next year.

Production Incentive

As I have already said, one of the continuing objectives of government policy is economic growth. I am bringing forward in this budget a plan to use tax incentives to induce increased production and employment. This will provide encouragement for private industry in its search for new and expanding markets. A benefit will be allowed to a company in the form of a reduction in tax on profits derived from increased sales. Since larger sales will involve more production and more employment for our citizens, this new incentive will bring benefits to the community at large in substantial addition to those which will accrue directly to the successful enterprises.

The benefit, which will be available to companies engaged in manufacturing or processing, will consist of cancellation of 50 per cent of the tax on the first $50,000 of taxable income arising from increased sales and cancellation of 25 per cent of the tax on any additional income arising from increased sales. In the first year the plan is in operation the amount of taxable income to be attributed to the increased sales will be calculated by reference to the amount, if any, by which gross sales in the current tax year exceed the gross sales of the immediately preceding year. The ratio of this excess to sales in the current year will be applied to taxable income to determine the amount of taxable income to be attributed to increased sales.

[Mr. Fleming (Eglinton).]

In the second year of the plan the amount by which sales have increased in the current year will be determined on the basis of average sales in the two preceding years.

In the third year of the plan, and thereafter, the amount by which sales have increased will be determined on the basis of average sales in the three preceding years.

In this way the gradual extension of the base to the average gross sales of the preceding three years will provide as time goes on for the continuing effectiveness of this new measure and for the increasing stability of its operation.

The proceeds of disposal of a company's capital assets will not, of course, be included in gross sales for the purposes of the tax concession.

The cancellation of half the tax on as much as $50,000 of taxable income arising from increased sales is sufficiently generous to allow the great majority of eligible companies to obtain the full 50 per cent cancellation of tax on all income arising from increased sales. For example, a company which increases its sales by 10 per cent, thus bringing its total taxable income to over half a million dollars, will pay tax on only half its taxable income arising from the increase in its sales.

Small companies whose taxable income is wholly or largely within the first bracket of $35,000, and therefore subject to the lower rate of corporation income tax, will be able to claim the reduction of 50 per cent on all of their taxable income attributed to increased sales, both the amounts normally taxed at 12 per cent and any amounts normally taxed at 41 per cent.

It is the policy of the government to promote by every practical means the further development of processing and manufacturing in Canada. In existing economic circumstances, furthermore, the greatest opportunities for increased employment are to be found in the industries which manufacture and process. The benefits of the new plan are to be made available, therefore, in these large areas of industry where they can do the most good by having the greatest effect.

More concretely, the benefit is to be made available to companies whose principal business is manufacturing or processing of goods for sale. Companies will be excluded whose principle business is shipbuilding, oil or gas wells or mines benefiting from percentage depletion. A company whose principal business is processing will be able to qualify whether it be crushing and concentrating ore, refining petroleum or freezing and canning foodstuffs.

The new plan will not be extended to unincorporated businesses in which the earnings are subject to taxation at the graduated rates

of individual income tax. The large majority of unincorporated businesses are in any event in the fields other than the manufacturing and processing of goods for sale. As for the others, it has been found after careful technical study that a benefit comparable to the one being extended to corporations would be both inequitable and far too complicated.

New companies will be allowed to claim the tax credit provided they have at least one full year of sales experience, prior to the current tax year, on which to base their claims.

The bill to be put before the house will contain some special rules to deal with cases in which an extensive corporate reorganization of some sort has taken place including amalgamations, mergers, purchase of assets, transfers of sales contracts and so forth. In each case the purpose will be to establish, if possible, a total of gross sales during the preceding year which can be compared with gross sales in the current year.

The plan to induce increased production and employment is to take effect as from the beginning of this month. Taxpayers will be allowed to claim the benefit in respect of their current taxation year, a portion of which will already have expired in most cases. In this first taxation year the taxpayer will calculate the full amount of tax credit according to the formula and will then reduce this amount by the proportion of his taxation year which had expired by April 1.

In summary, by means of this plan to induce increased production and employment the large majority of processing and manufacturing companies which increase their sales will be allowed to retain half the taxes they would otherwise be required to pay on their additional income. The effect on revenue of this plan is very difficult to estimate because the extent of sales increases cannot be precisely estimated in advance. It is believed that the amount of tax cancelled under the plan in a full year will be at least $50 million and it may be considerably more. The tax that is given up will be offset in some measure by compensating benefits including increased revenue on other income. Although the plan is expected to exert an immediate stimulus the reduction in corporation income tax revenue in this fiscal year will not be great because in a period of rising profits most companies base their interim monthly payments of estimated tax on their previous year's actual income.

Double Depreciation

In the supplementary budget of December 20, 1960 I introduced the program of double depreciation for investment in assets acquired to manufacture products new in Canada or new in designated surplus manpower areas. This program was designed to encourage the production in Canada of goods not hitherto produced here and to stimulate industrial development in surplus manpower areas. In the June budget speech I informed the house that an increasing amount of interest was being shown in this program on the part of Canadian industries. Up to the present, assets certified under the plan have reached a total of $112,000,000 and a steady stream of applications is still being received and processed. This program was introduced initially for a period of two years extending to January 1, 1963. However, manufacturers whose plans for additional investment may require a longer time for completion are already beginning to make inquiries concerning continuation for a further period. I am pleased to announce, therefore, that this program of double depreciation is to be extended for another calendar year, that is until January 1, 1964.

The extension of this program will not substantially affect revenues in 1962-63 but, it will, of course, extend the revenue effects of the program, originally estimated to be about $25 million a year, for an additional 12 months.

Scientific Research in Industry

The government gives a high priority to encouraging and assisting scientific research in Canada of all kinds. There has been steady and substantial expansion in the areas where the federal government directly supports research through Atomic Energy of Canada, the Defence Research Board, the National Research Council and various other agencies. If Canada is to maintain and extend its place in the world continuous advances must be made in industrial research and in the development of new methods and new products.

In the 1961 budget I expressed the view that Canadian industries, particularly the subsidiaries of foreign companies, have developed an excessive dependence on research done abroad. To stimulate increased industrial research in this country I announced important tax changes at that time, providing for acceleration of the rate at which capital expenditures on research could be written off as expenses. These amendments have apparently given rise to very constructive results in the limited time they have been in operation.

As announced in the speech from the throne, the government has this year introduced a program of direct financial aid to research in industry. Under this plan, administered through the National Research Council, financial assistance for applied research and

development will be given on a matching basis, with the government contributing up to as much as 50 per cent of the cost of some projects. It is believed that this program will be of far reaching assistance in building up new research and development in industry, and in expanding existing efforts.

Unprecedented opportunities exist today for the enhanced co-operation of science and industry. The great need is for industry itself to grasp the vital importance of more research if it is to forge ahead. I now propose a new and powerful incentive to corporate taxpayers who undertake increased industrial research in Canada.

Commencing in 1962 such taxpayers will be permitted to deduct 150 per cent of their increased expenditures on scientific research for industrial purposes when computing income for tax purposes. This deduction will apply in each year to current as well as capital expenditures on research to the extent that these exceed similar expenditures by the taxpayer in his latest tax year which ended before tonight. The use in this way of a fixed base period will provide taxpayers with scope to earn substantial tax benefits through increased research. Because there will be need to reconsider the formula after a few years the plan will be introduced initially for a five year period. This will provide time for taxpayers to put comprehensive programs into operation.

This amendment to allow taxpayers to deduct 50 per cent more than the amount actually spent will make it necessary to review carefully what should qualify under the heading of scientific research.

A definition of eligible research must, of course, rule out programs for which taxpayers receive payments from governments as well as expenditures related to sales promotion, such as market research and surveys of customer acceptance. It is intended that payments should qualify which are made to universities and approved institutions and associations in Canada to have research carried out. In administering this tax concession my colleague, the Minister of National Revenue, will have the assistance of the National Research Council.

I should add that this new measure is not intended to serve as a precedent to encourage taxpayers to seek the right to deduct more than they spend in other fields.

Here also the effect of the proposed incentive upon revenue is very difficult to forecast because it will depend upon the extent to which taxpayers avail themselves of the potential benefits. Moreover, it is expected that the revenue cost will increase over the next several years as new research programs proceed. The revenue given up may easily be $20 million in a full year after the plan has been in operation for one or two years. The loss of revenue in fiscal year 1962-63 is expected to be about $8 million.

Oil and Gas Industry

The government has given much study to the position of the oil industry. Numerous proposals by representatives of the industry and others have been received and considered. The measures I am including in this budget have been selected on the basis that they are responsive to requests received from the oil industry and particularly from those known as independents, that their cost to the treasury in terms of tax revenues can be justified and that they will contribute constructively to the attainment of national objectives.

The petroleum and natural gas industries have developed at an increasing pace during the past year. These industries are in a much healthier condition than before this government took office. The improvement which has taken place is due in no small measure to the policies the government has pursued and, in particular, to the national oil policy. The natural gas industry is consolidating its position in the Canadian markets to which it has access and it has penetrated very large United States markets under the export policies implemented by this government. The response of the oil industry to the new policies has been commendable, particularly since some of the readjustments involved are, at least in the short term, expensive for the companies concerned.

Representatives of the petroleum industry have expressed a strong desire, which is shared by the government, to secure a more substantial and widespread participation in the oil industry by persons normally operating in other fields of industry and by Canadian investors. They have sought tax concessions to this end.

Although surplus productive capacity for oil still exists the prospects for the petroleum and natural gas industries are very good in the long run. There is growing concern, which the government shares, that the pace of exploration for hydrocarbons is not sufficient to maintain reserves of oil adequate to meet anticipated demands.

After careful consideration of all the circumstances I am putting before the house three new proposals:

1. That individuals be granted the right to charge petroleum preproduction expenses against income earned from oil and gas production;

2. That all companies including those not normally engaged in petroleum or in mining

be granted the right to charge petroleum preproduction expenses against income earned from oil and gas production; and

3. That expenditures involved in the acquisition after April 10 of rights to explore or drill for oil or gas or to extract oil or gas be deductible under section 83A of the Income Tax Act along with other drilling and exploration expenses and proceeds from sales of such rights be taken into income by all taxpayers including individuals.

When these amendments have been implemented oil companies will be in a position to deduct without limit of time, in computing income, all of their preproduction expenses including the costs of acquiring rights, the costs of exploration and the costs of drilling. In addition, they will continue to enjoy the benefits of depletion calculated at 33⅓ per cent of income. To the extent of the income earned in the oil and gas industry, individuals and companies outside the industry will henceforth be allowed full access to the special tax benefits associated with oil and gas.

As with the other proposed incentive measures the effect of these amendments upon revenue will be dependant upon the extent to which they are used by taxpayers. In a full year the revenue loss may be $15 million. The loss of revenues in 1962-63 will be about $7 million.

Iron Ore

In 1960 when the additional 15 per cent tax was imposed on income earned in Canada by branches of non-resident corporations it was decided to exempt certain classes of companies from the tax. These exemptions granted recognition to the fact that companies sometimes have no real alternative to the branch office form of organization when operating abroad. I am now proposing that non-resident companies whose principal business is mining iron ore be added to the group of companies which are excluded from this special tax. It has been found that such enterprises which require tremendous amounts of capital normally involve joint participation by Canadian interests and foreign users of iron ore. This kind of venture does not readily lend itself to the formation of a subsidiary company in Canada and logically it should be included in the group of companies which are relieved of this tax.

Logging Tax

At the dominion-provincial conference of February 23-24, 1961, the Prime Minister referred to heavier taxation borne by corporations engaged in the forest industries as a result of the fact that successive fiscal arrangements entered into by Canada and the provinces since 1947 have permitted the provinces to impose a tax on logging profits which is deductible as an expense in computing federal income tax. The Prime Minister stated:

> During the period covered by the current agreements, companies engaged in the forest industries in British Columbia and Ontario have borne a considerably higher burden of tax rates than other industries. This is because of the combined effect of federal income taxes and provincial logging taxes... It is proposed that... the federal government and the provinces in question should seek agreement by which each will make a concession in the interest of resolving this problem.

The Prime Minister made a more specific statement on this matter in his letter of June 16, 1961, to the provincial premiers in which he made the following generous proposal:

> Subject to reaching agreement on this matter of the definition of logging income, the federal government is prepared as a means of relieving the tax burden on the forest industry to offer a tax credit equal to two thirds of the logging tax up to a maximum rate of 10 per cent, provided the province gives a tax credit equal to the remaining one third of such logging tax.

With a view to reaching agreement on this matter in order that any new arrangement might apply to the 1962 taxation year, I wrote on January 4 to the treasurer of Ontario, the minister of finance of British Columbia, who is also the premier of the province, and to the presidents of the Ontario Forest Industries Association, the Council of Forest Industries of British Columbia, and the Canadian Lumbermen's Association proposing that technical discussions be held in Ottawa at an early date. However, owing to the position taken by British Columbia it was not possible to choose a date for the proposed meeting which was satisfactory to all the parties concerned.

Notwithstanding the fact that it has been impossible to hold the proposed discussions and to reach complete agreement on the concessions to be made by the two levels of government, I propose to remove discrimination in the taxation of logging income so far as the federal government is concerned. In order to accomplish this objective I am recommending to parliament that the Income Tax Act be amended so that a federal tax credit will be allowed equal to two thirds of a provincial logging tax up to a maximum rate of tax of 10 per cent on the basis of the existing definition of logging income, that is, the definition contained in the 1957 tax rental agreements. This action will go a long way toward removing the existing tax discrimination of forest industry corporations irrespective of any action which the provinces may take. Moreover, if the provinces imposing a logging tax supplement our tax credit with a

credit of their own equal to one third of the logging tax, as it is to be hoped they will, the discrimination will be removed completely. The reason for proposing that the federal government should bear two thirds of the full tax credit is that the federal income tax is approximately twice as large as the provincial income tax and logging tax combined in provinces which now impose a tax on income from logging. This proposal constitutes a unique concession inasmuch as no other provincial tax is allowed as a tax credit under the Income Tax Act.

It is estimated that this concession may reduce revenues by $3 million net in a full year and $1½ million in 1962-63.

University Grants

Commencing in the year 1962-63 federal grants to universities will be increased by one third, that is from $1.50 per capita for the population of each province to $2.00 per capita. Before 1960 these grants were paid to the National Conference of Canadian Universities (later succeeded by the Canadian Universities Foundation) for distribution to the universities of each province in proportion to student enrolment. However, in 1960 this government introduced legislation to provide an alternative arrangement for a province wishing to administer its own grants. This was done to meet the long standing difficulty with respect to university grants in the province of Quebec. Under section 9A of the Federal-Provincial Tax-Sharing Arrangements Act it is provided that a province may be prescribed if it has not entered into a tax rental agreement with Canada under which it agrees to refrain from levying corporation income taxes and if satisfactory arrangements exist in that province for the payment of university grants of at least $1.50 per capita in addition to grants to universities made as part of the ordinary expenditure of the province. In a province thus prescribed an additional abatement of 1 per cent in the rate of corporation income tax was provided under Section 40 of the Income Tax Act for taxation years 1960 and 1961.

In order that there should be equity in treatment as between provinces section 9A also provided that where the value of the additional abatement of 1 per cent in the rate of corporation income tax in a prescribed province was less than $1.50 per capita an additional payment would be made to the province to bring it to that level and where it exceeded $1.50 per capita the excess would be recovered from the province. The Prime Minister has received assurance that the government of the province of Quebec desires a continuation of the alternative arrangements for the payment of university grants. Accordingly provision will be made to continue this additional abatement of 1 per cent in the rate of corporation tax in a prescribed province.

In addition, it is necessary to provide for the increase in the level of university grants from $1.50 to $2.00 per capita. This will be done by amendment to the Federal-Provincial Fiscal Arrangements Act which it is proposed to introduce subsequently.

SUMMARY

I can now summarize the net budgetary cost of all the proposed tax changes. The major reductions in revenues will occur in personal and corporation income taxes. The benefits to individuals will amount to about $30 million in this fiscal year and about $40 million in a full year. Of these amounts $4 million in this fiscal year and $5 million in a full year will be reductions in contributions to the old age security fund, and the remainders will be reductions in budgetary revenues. The business incentives will cost about $22 million in 1962-63 and $88 million in a full year. The sales tax reductions will amount to about $2 million. Total benefits resulting from these tax changes will be about $54 million in this fiscal year and $130 million on a full year basis.

I should like to place in *Hansard* at this point the revised table of revenues for the fiscal year ending March 31, 1963.

Mr. Speaker: Has the hon. minister leave?

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows:*]

TABLE 8

Estimated budgetary revenues, 1962-63

(millions of dollars)

Personal Income Tax	$1,784
Corporation Income Tax	1,168
Non-Resident Tax	120
Estate Tax	90
Customs Duties	550
Sales Tax	813
Other Duties and Taxes	630
Total Taxes	5,155
Non-tax revenues	625
Total revenues	5,780

Mr. Fleming (Eglinton): Total budgetary revenues in 1962-63 will thus be reduced to an estimated $5,780 million, and since expenditures are expected to be $6,525 million our estimated budgetary deficit will be about $745 million. Any forecast covering a full year ahead is, of course, subject to some degree of uncertainty and a deviation

of as little as 1 per cent in either revenues or expenditures can mean a difference of $60 million.

Our non-budgetary cash requirements during this year, excluding as has always been done in the past any increases or decreases in the exchange fund account, appear likely to be about $295 million. Our non-budgetary cash receipts will be about $280 million, and our net loans, investments and advances will be about $575 million. The main components of our non-budgetary cash outlays are $230 million for Central Mortgage and Housing Corporation, $80 million for financing export credits, $68 million of advances to the old age security fund and $60 million to the Farm Credit Corporation. Loans to the Canadian National Railways, which include the capital requirements of Trans-Canada Air Lines, will amount to only $20 million.

Statistically, our net cash requirements for 1962-63, including both budgetary and non-budgetary accounts, will be about $1,040 million; but as I said in the early part of my speech this evening, while our net cash requirements in 1961-62 turned out to be $479 million, the net increase in outstanding bond issues during the past year was $857 million. Consequently our cash balances at the end of the fiscal year were about $400 million greater than on March 31, 1961 and stood at $762 million. Subject to unpredictable changes in our exchange fund, the use of surplus cash balances now held will reduce our borrowing requirements in 1962-63 to a level below those of 1961-62.

CONCLUSION

Mr. Speaker, it is with grateful satisfaction that we survey in Canada today the unchallengeable evidences of rising prosperity, increased employment, greater opportunities and rapid economic expansion.

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But we must not be complacent. We must not rest. This budget is designed to continue and to extend those policies which have contributed so much to dynamic growth in Canadian economy and to the creation of 200,000 new jobs in Canada in the last year. It is also designed to stimulate Canadian enterprise to new effort and new peaks of achievement. It offers tangible incentives to Canadian producers to seek out more markets, to take more risks, to breast the keen competition of the trading world with new confidence and resolve, and with the highest standard of efficiency. It summons all members of the great Canadian family to work together in the spirit of partnership for the attainment of national goals beneficial to all. It asks all to face realistically the challenges of our national and international responsibilities. It calls for effort, confidence and achievement in keeping with our resources, our high position in the free world, and the incomparable destiny of the Canadian nation.

RESOLUTIONS

INCOME TAX ACT

Resolved that it is expedient to introduce a measure to amend the Income Tax Act and to provide among other things:

(1) That for the 1962 and subsequent taxation years the amount deductible in computing taxable income in respect of a child qualified for family allowance be increased to $300 and the amount deductible in respect of other dependants be increased to $550 each.

(2) That with respect to income earned after March 31, 1962 a corporation whose principal business is manufacturing or processing (not including a corporation whose principal business is shipbuilding, mining, logging or the operation of oil or gas wells) be allowed to deduct from its tax otherwise payable an amount equal to 50 per cent of the tax on the first $50,000 of its taxable income attributable to increased sales and an amount equal to 25 per cent of the tax on the remainder of its taxable income so attributable.

(3) That with respect to its first taxation year ending after April 10, 1962 and the next succeeding four taxation years a corporation be permitted to deduct in computing income 150 per cent of the amount by which expenditures of a current and capital nature on scientific research in Canada incurred by it in the year exceed expenditures of a current and capital nature on scientific research in Canada incurred by it in its last taxation year ending on or before April 10, 1962.

(4) That for the 1962 to 1966 taxation years both inclusive the deduction from tax allowed to corporations in respect of taxable income earned in a province be increased from 9

per cent to 10 per cent in a prescribed province in which arrangements exist for the replacement of federal grants to universities by additional provincial grants in accordance with the proposed amendments to the Federal-Provincial Fiscal Arrangements Act.

(5) That with respect to taxation years commencing in 1962 a taxpayer be allowed a deduction from tax of an amount equal to the lesser of two thirds of the amount payable for the year to a province as a tax on income from logging operations or two thirds of ten per cent of the taxpayer's income from logging operations in the province, and the right to deduct in computing income amounts paid to a province as a tax on income from logging operations be repealed.

(6) With respect to expenses incurred after April 10, 1962 any corporation be allowed to deduct in computing income the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by it on or in respect of exploring or drilling for petroleum or natural gas in Canada and the prospecting, exploration and development expenses incurred by it in searching for minerals in Canada not exceeding its income for the year from oil or gas wells in Canada.

(7) That with respect to expenses incurred after April 10, 1962 an individual be allowed to deduct in computing income the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by him on or in respect of exploring or drilling for petroleum or natural gas in Canada not exceeding his income for the year from oil or gas wells in Canada.

(8) That with respect to acquisitions after April 10, 1962 amounts paid by

(a) a corporation whose principal business is production, refining or marketing of petroleum, petroleum products or natural gas, or exploring or drilling for petroleum or natural gas, or mining or exploring for minerals,

(b) an association, partnership or syndicate formed for the purpose of exploring or drilling for petroleum or natural gas,

(c) a corporation (other than a corporation that qualifies under (a), or

(d) an individual

for a right, licence or privilege to explore for, drill for or take petroleum or natural gas in Canada shall be classed as drilling or exploration expenses for purposes of computing deductions from income.

(9) That with respect to sales of property acquired after April 10, 1962 there shall be included in the income of a taxpayer any amount received as consideration for the disposition of a right, licence or privilege to explore for, drill for or take petroleum or natural gas except where the right, licence or privilege was acquired by inheritance or bequest.

(10) That the right of a successor corporation to deduct drilling, exploration, prospecting and development expenses incurred by a predecessor corporation from the income of the successor corporation attributable to the production of petroleum or natural gas from wells, or the production of minerals from mines, situated on property acquired from the predecessor corporation shall not be lost by reason of the fact that the successor corporation assumed liabilities of the predecessor corporation.

(11) That a joint exploration corporation may renounce an appropriate share of the drilling, exploration, prospecting and development expenses incurred by it after 1956 in searching for oil, gas or minerals in Canada in favour of a shareholder corporation whose principal business is

(a) production, refining or marketing of petroleum, petroleum products or natural gas, or exploring or drilling for petroleum or natural gas,

(b) mining or exploring for minerals,

(c) processing mineral ores for the purpose of recovering metals therefrom,

(d) a combination of

(i) processing mineral ores for the purpose of recovering metals therefrom, and

(ii) processing metals recovered from the ores so processed, or

(e) fabricating metals,

and in such case the expenses renounced shall be deductible by the shareholder corporation and not by the joint exploration corporation.

(12) That the right of a successor corporation to deduct drilling, exploration, prospecting and development expenses incurred by a predecessor corporation from the income of the successor corporation attributable to the production of petroleum or natural gas from wells, or the production of minerals from mines, situated on property acquired from the predecessor corporation be extended to a second successor corporation which has acquired the property from a predecessor corporation which was itself a successor corporation.

(13) That for the 1962 and subsequent taxation years income earned in Canada by a non-resident corporation whose principal business is mining iron ore in Canada, be exempt from the additional 15 per cent tax imposed by part IIIA on profits earned in Canada by non-resident corporations.

(14) That where an employee who is a member of one deferred profit sharing plan

becomes a member of another deferred profit sharing plan the amount to his credit in the first mentioned plan may be transferred to his credit in the second mentioned plan without attracting tax on the amount so transferred.

(15) That the amount to the credit of an annuitant under a registered retirement savings plan may be transferred at any time before the maturity of the plan to another registered retirement savings plan or to a registered pension fund or plan without attracting tax on the amount so transferred.

ESTATE TAX ACT

Resolved that it is expedient to introduce a measure to amend the Estate Tax Act and to provide among other things:

(1) That the lien in respect of tax payable by a successor to real property situated in Canada of a deceased person shall be applicable only where it appears from the records of the appropriate land titles or land registry office or where it can be established from any document or other writing of which notice is given in those records that the deceased person had an estate or interest in that real property, but no such lien shall be applicable where the real property is situated in a province whose government has entered into an agreement with the government of Canada whereby no transfer of an estate or interest in the real property may be registered until the consent of the Minister of National Revenue to the transfer has been obtained.

(2) That for purposes of the deduction from aggregate net value allowed for the value of a gift made to a charitable organization in Canada, such an organization shall include not only one that devotes its resources to the making of gifts to other such organizations in Canada, but also one that devotes part of all of its resources to the making of gifts to Her Majesty in right of Canada or a province, a Canadian municipality or a municipal or other public body in Canada performing a function of government.

(3) That the tax applicable in respect of the property of a person dying domiciled outside of Canada shall not apply to the property situated in Canada of an officer or servant of an organization as defined for the purpose of section 3 of the Privileges and Immunities (United Nations) Act, where the property was acquired during his lifetime for or incident to his residence in Canada as such an officer or servant whose duties required him to reside in Canada at the time of his death.

(4) That any enactment founded on paragraphs (1) and (3) shall apply in respect of deaths occurring after December 31, 1958.

EXCISE TAX ACT

Resolved that it is expedient to introduce a measure to amend the Excise Tax Act and to provide among other things:

(1) That the present exemption from sales tax for "Books, printed and bound, that contain no advertising and are solely for educational, technical, cultural or literary purposes," be changed to read "Printed books that contain no advertising and are solely for educational, technical, cultural or literary purposes,".

(2) That audio tapes and materials used in the manufacture thereof, authorized by the department of education of any province in Canada for instruction in the English and the French language, be exempt from sales tax.

(3) That baler twine and materials used in the manufacture thereof be exempt from sales tax, regardless of use.

(4) That barrels and boxes for fish, lobster crates, lobster pots, lobster traps, scallop bags, and materials used in the manuafacture thereof be exempt from sales tax.

(5) That drums or cans for honey and materials used in the manufacture thereof be exempt from sales tax.

(6) That goods for use in sewerage and drainage systems and materials used in the manufacture thereof be exempt from sales tax.

(7) That the present liability for sales tax on motor vehicles, tractors and machines and tools operated by such vehicles or tractors, that are diverted from an exempt use to a taxable use, be limited to five years from the time of the first sale by a person who would have been required to pay sales tax if the sale had not been for an exempt use, and where motor vehicles, tractors and machines and tools operated by such vehicles or tractors were imported or sold by a manufacturer or licensed wholesaler and sales tax was not payable or was refunded by reason of the intended use of the goods, any person who within five years of such importation or sale applies the goods to any other use (other than of a casual nature) for which the goods could not originally have been purchased exempt from sales tax, and the person from whom he purchased or rented the goods including the importer, manufacturer or licensed wholesaler, shall be jointly and severally liable for payment of sales tax on the fair market value of the goods at the time they are applied to that other use.

(8) That the present tax of 10 per cent on net premiums in respect of insurance against risks in Canada paid or payable by

Canadian residents to an insurer not authorized under the laws of Canada or any province to transact the business of insurance, be extended to apply to net premiums in respect of any such insurance paid or payable by or on behalf of Canadian residents, where such insurance is entered into or renewed through a broker or agent outside Canada with an insurer that at the time the contract is entered into or renewed is authorized under the laws of Canada or any province to transact the business of insurance.

(9) That any enactment founded on paragraphs 1 to 7 of this resolution be deemed to have come into force on April 11, 1962 and that any enactment founded on paragraph 8 of this resolution be applicable in respect of contracts of insurance entered into or renewed after April 10, 1962.

CUSTOMS TARIFF

1. Resolved, that Schedule A to the Customs Tariff be amended by striking out tariff items 206b, 237a, 296g, 409f, 431h, 440m, 440n, 611a(4) and 696(1), and the enumerations of goods and the rates of duty set opposite each of these items, and by inserting therein the following items, enumerations of goods and rates of duty:

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget: British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
206*b*	Dextrose (glucose) solutions *and levulose (fructose) solutions*, prepared for parenteral administration in therapeutic treatments; component materials and articles to be used in making such preparations.....	Free	Free	Free	Free 17½ p.c.	Free 20 p.c.	Free 40 p.c.
220*b*	*Phenylalanine deficient dietary preparations specially compounded for use in the treatment of phenylketonuria*.....	Free	Free	25 p.c.	15 p.c.	20 p.c.	25 p.c.
237*a*	Deuterium oxide or heavy water; uranium in the form of pigs, ingots, billets or bars.....	Free	Free	25 p.c.	Free	Free	25 p.c.
	On and after July 1, *1964*	Free	15 p.c.	25 p.c.	Free	15 p.c. (On and after July 1, 1962)	25 p.c.
296*g*	Sodium calcium borate ore for use as a fire retardant....	Free	Free	25 p.c.	Free	Free	25 p.c.
	On and after July 1, *1964*	15 p.c.	20 p.c.	25 p.c.	15 p.c.	20 p.c. (On and after July 1, 1962)	25 p.c.
409*f*	Animal clippers;						
	Automatic stock watering devices;						
	Barn hay forks, carriage, pulleys and track;						
	Barn litter carriers and track;						
	Combination excavating and transporting scraper units;						
	Egg cooling cabinets;						
	Elevators (other than storage elevators);						
	Grain crushers;						
	Grain or hay dryers;						
	Grain or hay grinders;						
	Grain loaders;						
	Gravity discharge farm wagon boxes;						
	Hay stack forms;						
	Hitches and couplings;						
	Hydraulic hoists for unloading vehicles;						
	Land levellers;						
	Machines and tools for use on tractors, including blades, loaders, rippers, rakes and related operating and controlling gear;						
	Milk coolers;						
	Sodium metabisulphite;						
	Sprinkler irrigation systems;						

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget: British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
	Stack heaters for orchards;						
	Steel stanchions for confining livestock either in pens or individually, and complete equipment for milking parlors;						
	All the foregoing for use on the farm for farm purposes only;						
	Brooders;						
	Ensilage cutters;						
	Fodder or feed cutters;						
	Hay loaders;						
	Hay tedders;						
	Post hole diggers;						
	Potato diggers;						
	Potato planters;						
	Snaths;						
	Stumping machines;						
	All other agricultural implements or agricultural machinery, n.o.p.;						
	Parts of all the foregoing.....	Free	Free	Free	Free 10 p.c.	Free 22½ p.c.	Free 35 p.c.
431*h*	Geophysical surveying precision instruments and equipment for use exclusively in prospecting for, or in the exploration and development of, petroleum, natural gas, water wells and minerals, or for geophysical studies for engineering projects, including the following: Magnetometers; gravity meters and other instruments designed to measure the elements, variations and distortions of the natural gravitational force; field potentiometers, meggers, non-polarizing electrodes, and electrical equipment for making measurements in drill holes; instruments and equipment for seismic prospecting; geiger muller counters and other instruments for radioactive methods of geophysical prospecting; electrical and electronic amplifying devices and electrical thermostats designed to be used with any of the foregoing; sodium iodide crystals, thallium activated, in rough cut blanks, when imported to be manufactured into parts for use in instruments for prospecting; all the foregoing of a class or kind not made in Canada, and parts, tripods and fitted carrying cases for any of the foregoing.....	Free	Free	30 p.c.	Free 10 p.c. 20 p.c.	Free 22½ p.c. 20 p.c.	30 p.c. 35 p.c. 30 p.c.

440*m*	Aircraft, not including engines, under such regulations as the Minister may prescribe:						
	1. When of types or sizes not made in Canada.....	Free	Free	27½ p.c.	Free	Free	27½ p.c.
	On and after July 1, *1963*	Free	15 p.c.	27½ p.c.	Free	15 p.c.	27½ p.c.
						(On and after July 1, 1962)	
440*n*	Aircraft engines, when imported for use in the equipment of aircraft:						
	1. When of types or sizes not made in Canada.....	Free	Free	27½ p.c.	Free	Free	27½ p.c.
	On and after July 1, *1963*	Free	15 p.c.	27½ p.c.	Free	15 p.c.	27½ p.c.
						(On and after July 1, 1962)	
611*a*	(4) Conductive shoes for use in hospitals.....	Free	Free	40 p.c.	Free	Free	40 p.c.
	On and after July 1, *1963*	20 p.c.	27½ p.c.	40 p.c.	20 p.c.	27½ p.c.	40 p.c.
						(On and after July 1, 1962)	
696	(1) Philosophical and scientific apparatus (and ancillary equipment thereto), utensils, instruments, and preparations, including boxes and bottles containing the same; maps, charts, photographic reproductions and other pictorial illustrations; *video tape recordings; stencils and cards, specially designed for the preparation of library index cards;* casts as models; animals as research or experimental subjects; living plants, seeds, cuttings, buds, scions, tubers, bulbs and root-stock; mechanical equipment of a class or kind not made in Canada; parts of the foregoing. All articles in this item, when for the use and by order of any society or institution incorporated or established solely for religious, philosophical, educational, scientific or literary purposes, or for the encouragement of the fine arts, or for the use and by order of any public hospital, college, academy, school, or seminary of learning in Canada, and not for sale or for rental, under such regulations as the Minister may prescribe.....	Free	Free	Free	Free 15 p.c. 15 p.c. 10 p.c.	Free 20 p.c. 22½ p.c. 22½ p.c.	Free 30 p.c. 25 p.c. 35 p.c.

2. Resolved, that any enactment founded upon the foregoing resolution shall be deemed to have come into force on the eleventh day of April, 1962, and to have applied to all goods mentioned in the said resolution imported or taken out of warehouse for consumption on or after that day, and to have applied to goods previously imported for which no entry for consumption was made before that day.

[*See also budget papers pages 2721 to 2834*]

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to begin by congratulating the minister on the speed of his delivery and the eloquence of his peroration. I doubt very much whether I shall be able to congratulate him on anything else which occurred in his budget speech this evening.

There was, of course, one feature of this speech which is altogether unprecedented. The minister circulated a copy of his speech to me as I came into the house and no doubt he has done this earlier in the case of members of the press gallery. He omitted a great deal of his speech which, presumably, will now appear in public but which has not been given to the House of Commons.

At a Young Conservative convention last Saturday night a song was dedicated to the minister with the title "Brother, Can You Spare a Dime". The minister has indicated tonight, by the figures that he has put on record, that dimes are going to be scarce to be spared in Canada, because he has told us—he told us yesterday—that the deficit for the previous year is $790 millions, which is $150 millions more than he estimated nine months ago. He told us this evening that the deficit for the current year, on the basis of a 7 per cent increase in the gross national product, on that exaggerated basis, will be $745 millions.

This is the sixth of the hon. gentleman's budgets. It is the sixth deficit. With the one he has given us tonight—and it will probably be higher than is estimated—the total budgetary deficits during the minister's regime now amount to about three billion dollars.

Some hon. Members: Shame.

Mr. Pearson: Perhaps, as it is on the eve of an election, this particular budget might be described as "Vote now, pay later".

The minister began his statement tonight by reading the objective of his financial policy and that of his government over these five years of unrelieved deficits. He quoted that objective as follows:

> The abiding goal of our fiscal policy is the maintenance of a sustainable rate of growth in terms of employment, development of resources, and a sound dollar.

[Mr. Fleming (Eglinton).]

The minister's own statement and the record of the policies of this government show that that goal has not been achieved as we come to the end of this parliament. The record shows that the volume of production per person in this country is now lower than it was in 1956, that unemployment since that year has increased, averaging 7.2 per cent in 1961 higher than any year between 1945 and 1957. The record shows that the volume of investment declined by 13 per cent since 1957. So far as the dollar is concerned, the minister has spent from the exchange fund in the first three months of this year about $350 million, not for the purpose for which he said it would be used some months ago, that of getting the dollar down, but for the purpose of keeping the dollar from going down too far. So if this is the goal the minister set out at the beginning of his speech, it has not been achieved in any single respect he mentioned this evening.

Of course, with all these deficits, the minister has included in his budget speech some proposals which presumably are designed to stimulate the economy. They involve the expenditure of money. It was interesting to note, as the minister put these on the record, that some of these proposals we urged on the government three and four years ago. If some of these things had been done, and done more effectively at that time, we would not be confronted today with a deficit of $745 million and at the same time massive and chronic unemployment.

The individual benefits about which the minister speaks amount to $40 million, according to his figures. There are 18 million people in this country and if you divide 18 million into $40 million—and I hope my arithmetic is correct—you get $2.22 per person. "222" is the name of a well known headache tablet. The taxpayer of this country is going to need a headache tablet when he is confronted this year with another deficit of $745 million. Because deficits are debts and debts are charges on the future, and the men, women and children of the future will have to pay this $3 billion of budgetary deficits.

The minister made great play with his accurate estimates of this and that tonight in his budget speech; but the minister must know, I am sure he does know, that in every year since he has been Minister of Finance he has forecast a gross national product increase for that year which has been wrong. And he has always been wrong in the one direction. He has always estimated a growth that did not occur. He now estimates a 7 per cent growth for next year. It is not likely

to occur on the basis of his own record as a prophet and if it does not occur there will be a much higher deficit than $745 million. And remember, Mr. Speaker, we are facing these deficits and difficulties at a time when the minister says we are in the midst of a period of prosperity and expansion. The Prime Minister keeps talking about being in a period of prosperity and expansion.

Last year in his budget speech when the minister was dealing with this prosperity and expansion he gave us a very optimistic report on the economic prospects for 1962. The minister as reported at page 6642 of *Hansard* of June 20, 1961 had this to say:

> When employment and incomes have reached satisfactorily high levels and the rate of economic growth is strong, a sound budget and tax structure should generate sufficient revenues not only to cover current expenditures but also to provide funds for the orderly retirement of debt—

The minister has now denied his own words of nine months ago. He said at that time that in the situation he claims we face in this country today we should have not only a balanced budget but should be putting aside money to pay off the national debt. That is the kind of thing we used to do in our day, when we were in periods of expansion. Not only did we balance the budget but we paid off $2 billion of the national debt.

As reported at page 6665 of *Hansard* of June 20, 1961 the minister also said:

> On the basis of the present situation—

That is the situation we are now in.

> —and anticipated trends—

Those are the trends the minister anticipated:

> —it is not unreasonable to expect that the current flows of revenue and expenditures will be approaching a balance by the end of 1962.

Now he tells us that by March 31, 1963 on the basis of the highest increase in gross national production since they took office, of 7 per cent, we will have not a balanced budget but another deficit of $745 million.

This is the minister's budget. This is the way the minister manages the financial affairs of this country. The minister condemns himself by his own words and the country will soon condemn his government by their votes.

On motion of Mr. Pearson the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I inquire of the house leader what the business of the house will be tomorrow? I hope the house leader will be able to indicate the business for Thursday and Friday as well.

Mr. Churchill: Mr. Speaker, tomorrow the first item will be Bill No. C-80, an act to amend the Veterans' Land Act; the second item will be Bill No. S-19, an act to amend the Canada Grain Act; the third item will be Bill No. C-79, an act to amend the Customs Act.

Mr. Hellyer: What about the supplementary estimates?

Mr. Tardif: What about the budget?

Mr. Chevrier: Can the house leader give any indication of the business for the following day?

Mr. Churchill: If the opposition will tell me that they will pass these three bills tomorrow I shall then be very glad to announce further business for the week.

At ten o'clock the house adjourned without question put, pursuant to standing order.

BUDGET PAPERS

presented by

the Honourable Donald M. Fleming, M.P.,

for the information of Parliament

in connection with the Budget of 1962-1963

FOREWORD

The purpose of these Papers is twofold:

1. to present a general economic review of 1961, bringing together in one place and in convenient form some of the more comprehensive indicators of economic conditions prepared by the Dominion Bureau of Statistics, the Bank of Canada and other Government Agencies, together with brief comments;

2. to present a preliminary review of the Government Accounts for the fiscal year ending March 31, 1962.

PART I

ECONOMIC REVIEW OF 1961

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The tables in this Budget Paper are based upon estimates provided by the Dominion Bureau of Statistics, the Bank of Canada and other Government Agencies. Some of the figures appear for the first time; others have been published elsewhere. All 1961 estimates are preliminary and subject to revision.

ECONOMIC REVIEW OF 1961

GENERAL

1961 was a year of expansion in the Canadian economy. In the midst of a wide variety of economic forces which influenced Canadian developments, some of which will continue to be of importance in the years ahead, the economy responded to policies undertaken during 1961. Then too, the external environment, one of the more basic elements determining Canada's economic well-being, was, on the whole, favourable to the course of expansion.

In the 1960 Budget Papers reference was made to the unusual conjuncture of economic forces, special, cyclical and longer term that were having adverse effects on the Canadian economy. This condition lasted into the early months of 1961, and by March 1961 the index of industrial production was 4 per cent below the peak level reached at the beginning of 1960. Unemployment was high, being close to 8 per cent of the labour force, after allowing for normal seasonal movements. The deficit on international current account was running at an annual rate of $1.2 billion, or the equivalent of about 3½ per cent of the Gross National Product. This represented, in effect, the net importation of resources from abroad which, given the extent of unused capacity in Canada at that time, was at a level clearly inappropriate to Canada's economic circumstances. These relatively unfavourable conditions do not, of course, tell the entire story: employment and incomes had continued to rise throughout 1960 and prices had risen scarcely at all.

It was against this very briefly sketched background that Canada entered the spring months of 1961. At that time economic conditions in the United States began to improve and, as the earlier American deterioration there had imparted a downward influence on Canada's economic activity, so did the subsequent business upswing impart a more favourable influence. At the same time the expansion of exports to other countries was reinforced by some additional large grain sales, helping to improve Canada's external position.

The wide range of economic and financial policies followed by the federal government in 1960 and 1961 was designed to facilitate the flow of Canadian savings to Canadian borrowers and reduce excessive capital inflows from abroad. In the event, these policies resulted in a reduction of upward pressures on Canada's exchange rate and reduced the deficit on international current account. At the same time, the size of the budget deficit was increased to enlarge the flow of purchasing power to the general public, in a period when there was a considerable amount of unused economic capacity.

From March to December 1961, (the month of the latest available data) the index of industrial production rose by 9.1 per cent, bringing it to a level 4.7 per cent above the previous cyclical peak of January 1960. The most comprehensive measurement of economic activity, the Gross National Product, increased from its first quarter low to the fourth quarter by $2.4 billion, or by 7 per cent, and at year end was about 3 per cent above the average of 1961 as a whole. Employment responded to the improved pace of economic activity and rose at a more rapid rate than in 1960 and the rate of unemployment began to fall. By August 1961, the numbers of unemployed were below those experienced one year earlier and, by year end, the rate of unemployment (after allowance for normal seasonal movements) had fallen from the cyclical peak of 7.8 per cent at the beginning of the year to 6.1 per cent of the labour force.

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TABLE 1

NATIONAL INCOME AND GROSS NATIONAL PRODUCT

(Seasonally Adjusted at Annual Rates)

—	1960				Preliminary 1961			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	(Millions of dollars)							
1. Wages, salaries, and supplementary labour income	17,992	18,044	18,172	18,268	18,412	18,736	19,060	19,328
2. Military pay and allowances	500	500	504	532	540	544	544	572
3. Corporation profits before taxes and before dividends paid to non-residents	3,516	3,244	3,176	3,172	2,956	3,364	3,588	3,844
4. Deduct: Dividends paid to non-residents[1]	−484	−488	−488	−420	−748	−544	−548	−512
5. Rent, interest, and miscellaneous investment income	2,356	2,396	2,372	2,436	2,480	2,468	2,616	2,552
6. Accrued net income of farm operators from farm production[2]	1,248	1,136	1,140	1,252	864	932	1,016	936
7. Net income of non-farm unincorporated business	2,176	2,196	2,136	2,252	2,092	2,224	2,372	2,308
8. Inventory valuation adjustment[3]	−136	−104	− 64	84	48	− 64	−124	−204
9. National Income (1+2+3+4+5+6+7+8)	**27,168**	**26,924**	**26,948**	**27,576**	**26,644**	**27,660**	**28,524**	**28,824**
10. Indirect taxes less subsidies	4,456	4,480	4,392	4,456	4,556	4,584	4,540	4,892
11. Capital consumption allowances and miscellaneous valuation adjustments	4,320	4,320	4,284	4,248	4,312	4,284	4,388	4,412
12. Residual error of estimate	44	−104	96	104	48	− 40	−56	−196
13. Gross National Product at Market Prices (9+10+11+12)	**35,988**	**35,620**	**35,720**	**36,384**	**35,560**	**36,488**	**37,396**	**37,932**
14. (Gross National Product at Market Prices excluding Accrued Net Income of Farm Operators)	(34,740)	(34,484)	(34,580)	(35,132)	(34,696)	(35,556)	(36,380)	(36,996)

(1) Includes withholding tax applicable to this item. Since the withholding tax is also part of National Product it is included again in Rent, interest and miscellaneous income. Also includes some net profits of non-Canadian non-financial corporations.

(2) Includes accrued earnings arising out of the operations of the Canadian Wheat Board.

(3) See footnote 2, Table 3.

On the financial side, interest rates declined generally after mid-year, and the spread between Canadian and United States interest rates narrowed appreciably. Liquidity increased in the economy and a larger share of total borrowing was financed in Canada. This was reflected in the decline in the capital inflow from abroad and the reduction of the external price of the Canadian dollar. The international current account deficit was accordingly reduced in 1961.

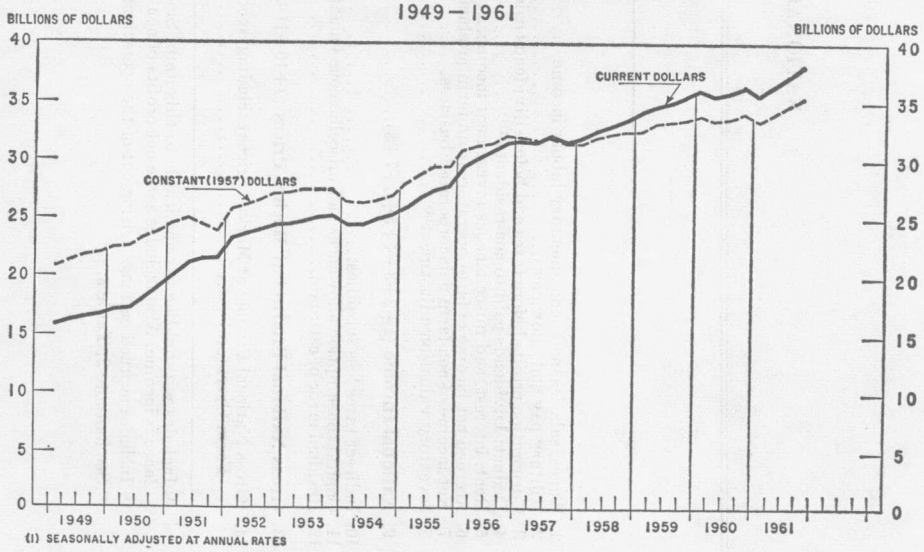
The economic expansion of 1961 was achieved without disturbance to the relative stability of prices. A variety of price indexes, including the consumer price index and the price index applicable to Gross National Product, averaged less than 1 per cent higher in 1961 than in 1960. These and other developments are discussed more fully below.

THE NATIONAL ACCOUNTS

National Income and Product

As indicated above, the Gross National Product rose substantially throughout the last nine months of 1961. By contrast, the movement within 1960 had been irregular, falling from the first to the second quarter, then increasing to the fourth quarter before declining again at the beginning of 1961. The irregularity of the movement of G.N.P. throughout 1960 and into the first quarter of 1961 makes less meaningful a comparison of the annual averages of these two years; indeed such a comparison masks the significant strengthening in economic activity which took place throughout 1961. Further, the measurement of Gross National Product includes the value of farm production and the annual figures for 1961 reflect the sharp decline in farm inventories which resulted from the drought in western Canada as well as enlarged grain exports. The 1961 grain crop turned out to be only about three-fifths of its average value in recent years, and the increase in G.N.P. was correspondingly reduced by about $400 million, or about 1 per cent. (It should be noted, however, that farm cash income was maintained at peak levels, with sales made possible out of previously accumulated stocks.) The net result of all these factors was that

GROSS NATIONAL EXPENDITURE
IN CURRENT AND CONSTANT (1957) DOLLARS[1]
1949—1961



(1) SEASONALLY ADJUSTED AT ANNUAL RATES

G.N.P. in 1961 rose to about $36.8 billion, 2.5 per cent above the average of 1960. With prices relatively stable, about four-fifths of this increase in yearly averages represented a gain in real volume.

As was previously pointed out, the G.N.P. seasonally adjusted in the fourth quarter of 1961 was already about 3 per cent above the average of the year as a whole, and 7 per cent above the first quarter of 1961. This compares favourably with the increases during the early phases of previous upswings.

The following table and accompanying chart illustrate this point. They show changes in the value and volume of non-farm output during the downswing and early phases of the upswing in 1953–54, 1957–58 and 1960–61. The purpose of making comparisons with the low point of activity is, of course, to show the relative strength of the upturn. However, this type of comparison has only a limited meaning by itself, since an upturn is more likely to be strong after a steep than after a mild decline. For this reason, it is useful also to compare the current level of activity with that prevailing before the declines took place, i.e. at the previous peak, in terms of both the value and the physical volume of output at these points. This shows that the recent gain (late 1961) in real terms was larger than the expansion in the immediately preceding upturn (1958) in which the value increase contained substantial elements of price.

Output of the services-producing industries of the economy rose during 1961, reflecting a continuation of the almost uninterrupted longer run movement, and reached new peaks, both in total and for each major service industry. For the year as a whole, output in services averaged about 3 per cent above the level of 1960.

The goods-producing sector of the economy produced a less even picture, as might be expected. This is typical of the goods sector, which is more subject to varying demands, including shifts in inventories and in fixed investment within the country, and changes in foreign demand for goods including, again, shifts in inventories and fixed investment in foreign markets. The greater volatility of output in this sector, relative to services, is associated with wider swings in employment, particularly of males, who predominate in goods-producing industries.

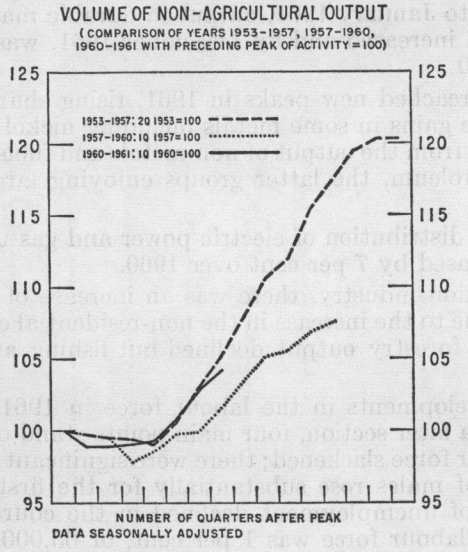


TABLE 2

SOME COMPARATIVE RATES OF RECOVERY

Date	Value of Non-farm Output[1] (Preceding Peak=100)	% Change 3 quarters after trough	% Change Preceding Peak to 3 quarters after trough	Volume of Non-farm Output[1] (Preceding Peak=100)	% Change 3 quarters after trough	% Change Preceding Peak to 3 quarters after trough
1Q 1960	100.0			100.0		
1Q 1961	100.5			99.4		
4Q 1961	106.6	+6.0	+6.6	104.0	+4.6	+4.0
1Q 1957	100.0			100.0		
1Q 1958	100.2			98.4		
4Q 1958	104.9	+4.7	+4.9	101.7	+3.4	+1.7
2Q 1953	100.0			100.0		
2Q 1954	101.3			99.0		
1Q 1955	107.0	+5.6	+7.0	105.1	+6.2	+5.1

[1] The data in this table and in the accompanying chart exclude farm output and interest and dividend payments to and from abroad, and thus differ somewhat from the measurement of gross national product. The value of farm production has been deducted since, for statistical reasons, the seasonally adjusted value of the grain crop for the calendar year is allocated evenly throughout the four calendar quarters, complicating comparisons between quarters of different years. The interest and dividend adjustment has been made to the value figures in order to make them comparable to the volume figures, which measure output on a gross domestic basis, i.e. of goods and services physically produced in Canada. It should also be noted that price comparisons cannot be derived with precision from the value and volume indexes in this table. For purposes of price comparison, the deflators of Gross National Expenditure are more accurate.

Data prepared in Department of Finance.

In 1961 the volume of total agricultural output declined because of drought conditions in western Canada, the drop in grain output more than offsetting increases in the remainder of the agricultural sector. Apart from agriculture, output in the rest of the goods sector showed a yearly average gain. Manufacturing output, which had declined during 1960, rose throughout 1961 and at December was somewhat above the previous peak level of January 1960. This reflected, in the main, movements in durable goods production, since output of non-durable goods had been relatively flat in 1960 and rose significantly in 1961. Developments in durable manufacturing were more volatile. From January 1960 to January 1961, output in durable manufacturing declined by 11 per cent, then increased and by December 1961, was almost back to the level of January 1960.

Mining output reached new peaks in 1961, rising sharply in the course of the year. There were gains in some metals including nickel and copper, but the larger increases came from the output of non-metals and fuels, especially asbestos, natural gas and petroleum, the latter groups enjoying larger markets both at home and abroad.

The output and distribution of electric power and gas utilities continued its steady rise and increased by 7 per cent over 1960.

In the construction industry, there was an increase of about 3 per cent in the yearly average due to the increase in the non-residential component. During the year as a whole forestry output declined but fishing and trapping showed increases.

Considering developments in the labour force in 1961, which will be discussed more fully in a later section, four main points stand out: the recent sharp increases in the labour force slackened; there were significant increases in employment; employment of males rose substantially for the first time in about two years; and the level of unemployment declined in the course of the year. By December 1961, the labour force was 1 per cent, or 65,000 higher than a year

TABLE 3

GROSS NATIONAL EXPENDITURE

(Seasonally Adjusted at Annual Rates)

	1960				Preliminary 1961			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	(Millions of dollars)							
1. Personal expenditure on consumer goods and services	22,856	23,332	23,376	23,904	23,784	24,124	24,504	24,600
2. Government expenditure on goods and services	6,492	6,544	6,804	6,892	6,924	7,140	7,284	7,384
3. Business gross fixed capital formation[1]	7,008	6,548	6,564	6,648	6,392	6,260	6,620	6,700
new residential construction	1,624	1,372	1,396	1,380	1,344	1,436	1,576	1,476
new non-residential construction	2,624	2,524	2,580	2,580	2,616	2,560	2,652	2,760
new machinery and equipment	2,760	2,652	2,588	2,688	2,432	2,264	2,392	2,464
4. Value of physical change in inventories—total[2]	780	484	−92	264	−332	−212	−316	−92
non-farm business inventories	692	380	−132	156	60	168	104	504
farm inventories and grain in commercial channels	88	104	40	108	−392	−380	−420	−596
5. Exports of goods and services[3]	7,244	6,748	7,204	6,892	7,184	7,316	7,856	7,956
6. Imports of goods and services[3]	−8,348	−8,144	−8,036	−8,112	−8,344	−8,184	−8,608	−8,812
7. Residual error of estimate	−44	108	−100	−104	−48	44	56	196
8. **Gross National Expenditure at Market Prices** (1+2+3+4+5+6+7)	**35,988**	**35,620**	**35,720**	**36,384**	**35,560**	**36,488**	**37,396**	**37,932**

[1] Includes private businesses and institutions, and publicly owned Business Enterprises.

[2] The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment (see line 7, Table 1).

[3] Minor adjustments have been made to the figures of current receipts and payments shown in Table 31 to achieve consistency with the other component series.

earlier, and total employment was up 3 per cent, or 180,000, of which 125,000 were males and 55,000 females. Unemployment declined by 115,000 persons from December 1960 to December 1961.

Turning to the flow of incomes in 1961, the major components showed increases from the first quarter of the year. By the fourth quarter, national income was running at an annual rate of $28.8 billion, compared with $26.6 billion in the first quarter of the year and $27.2 billion in the first quarter of 1960.

The sharpest gain within 1961 took place in corporation profits, which had, however, shown the sharpest decline during 1960 and early 1961. During 1961 corporation profits increased from the first to the fourth quarter by 30 per cent. This brought profits to a new peak rate of about $3.8 billion in the fourth quarter, surpassing the previous peak of the fourth quarter of 1959 by about 4 per cent. The increase in profits during 1961 reflected the sharp pickup in production and the relative steadiness of costs.

Labour income rose by 5 per cent from the first to the fourth quarter of the year. During the same period the number of paid workers and average hourly earnings rose significantly while there was also a modest rise in the length of the average work week. The rise in personal disposable income paralleled that of labour income. Taking into account the stability in consumer prices and the estimated rise in population, there was a significant gain in per capita real disposable income from the beginning to the end of 1961.

Rent, interest and miscellaneous investment income increased about 6 per cent from 1960 to 1961. The level of farm income in 1961 was reduced from 1960 due to the drought and subsequent decline in grain production in western Canada. Cash income was maintained at record levels, however, due to increasing export and domestic sales of grains and other farm commodities, requirements of grain being met out of previously held stocks.

Net income of "other unincorporated business" rose somewhat in 1961.

National Expenditure

Between the beginning and end of 1961 all of the components of demand on a seasonally adjusted basis increased thus providing the support for the upward movement in the economy. Over the period as a whole, gains in consumer spending and exports were the largest elements in the rise, with increases in government

TABLE 4

CHANGES IN COMPONENTS OF GROSS NATIONAL EXPENDITURE
(Millions of dollars)

	First Quarter 1961 to Fourth Quarter 1961
Consumers	+816
Government	+460
Business Investment	
Housing	+132
Plant and Equipment	+176
Exports	+772
Sub-total	*+2,356*
Non-farm business inventories	+444
Farm inventories and grain in commercial channels	−204
Total Purchases	**+2,596**
Imports	−(+468)
Residual Error	+244
Gross National Expenditure	**+2,372**

TABLE 5

GROSS NATIONAL EXPENDITURE IN CONSTANT (1957) DOLLARS

(Seasonally Adjusted at Annual Rates)

	1960				Preliminary 1961			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	(Millions of dollars)							
1. Personal expenditure on consumer goods and services	21,856	22,200	22,220	22,572	22,476	22,776	23,068	23,116
2. Government expenditure on goods and services	6,148	6,128	6,336	6,416	6,392	6,608	6,720	6,712
3. Business gross fixed capital formation	6,564	6,096	6,088	6,176	5,904	5,780	6,108	6,168
new residential construction	1,500	1,260	1,276	1,256	1,220	1,312	1,440	1,344
new non-residential construction	2,448	2,360	2,396	2,412	2,424	2,376	2,476	2,564
new machinery and equipment	2,616	2,476	2,416	2,508	2,260	2,092	2,192	2,260
4. Value of physical change in inventories—total	744	464	−116	240	−364	−248	−340	−96
non-farm business inventories	668	372	−132	152	64	176	112	484
farm inventories and grain in commercial channels	76	92	16	88	−428	−424	−452	−580
5. Exports of goods and services	7,140	6,592	7,056	6,748	7,036	7,148	7,564	7,624
6. Imports of goods and services	−8,276	−7,944	−7,796	−7,892	−8,068	−7,884	−8,080	−8,236
7. Residual error of estimate	−40	100	−96	−96	−44	40	52	184
8. **Gross National Expenditure in Constant (1957) Dollars** (1+2+3+4+5+6+7)	**34,136**	**33,636**	**33,692**	**34,164**	**33,332**	**34,220**	**35,092**	**35,472**

spending on goods and services being next in magnitude. Business investment in fixed plant and equipment and in non-farm inventories also increased significantly from the first to the fourth quarter. In total, demand, both domestic and foreign, rose by about $2.6 billion over the period, and was met by increases in domestic production of $2.1 billion and additional imports totalling $0.5 billion.

As between the first quarter of 1960 (the preceding peak) and the fourth quarter of 1961, the change in the composition in total demand was substantially different from that which took place from the beginning to the end of 1961. Between the first quarter of 1960 and the fourth quarter of 1961, farm inventories and grain in commercial channels declined by about $700 million, reflecting both the lower grain crop in 1961 and higher export sales. At the same time the accumulation of non-farm business inventories was smaller by $188 million, reflecting the reaction to the post-U.S. steel strike inventory accumulation in early 1960. Total business fixed investment was also at a lower level in the fourth quarter of 1961. Offsetting these influences were larger increases in consumer and government spending, the two sectors rising in total by $2.6 billion over the seven quarters.

During 1961 consumer spending increased steadily from the first to the fourth quarter. Increases in government spending on goods and services were fairly steady throughout the year. Housing outlays were higher in the second half of the year as were outlays on business plant and equipment. Exports rose very sharply in the third quarter and more than maintained the rate in the last quarter of the year. Liquidation of farm inventories was very heavy throughout the year, reflecting large grain sales and a much reduced crop. The accumulation of non-farm business inventories was small during the first three quarters of the year, but moved up significantly in the last quarter. In contrast with previous upswings, inventories have so far played a more modest role in the expansion of demand reflecting different fundamental conditions including ample supply and steady prices.

Turning to expenditure items in more detail, consumer spending rose throughout 1961 after having shown a fractional decline in the first quarter of the year. In the last three quarters of 1961 consumer spending increased by about 3½ per cent and by the end of 1961 was 8 per cent above the rate in the previous peak in general business activity in the first quarter of 1960. Prices of consumer goods and services changed very little in the course of 1961, so that the value increases in spending represented gains in real terms.

Purchases of durable goods seasonally adjusted rose by more than 14 per cent within 1961. The gains were concentrated in purchases of new cars which after declining in the first quarter of the year reached a level in the fourth quarter about 10 per cent above the level of a year earlier. Prices of durable goods, particularly automobiles, declined in 1961, compared with 1960, so that the increases in real terms were even greater than the gains in value terms.

Consumer spending on non-durable goods rose steadily until the fourth quarter of the year when it declined slightly but was still more than one per cent above the level of the first quarter. Consumer spending on services continued its long term rise throughout 1961, increasing from the first to the fourth quarter by about 3 per cent, of which nearly 2 per cent represented increases in real terms. The main part of the value increase was accounted for by spending on medical services and on rents (paid or imputed on owner-occupied dwellings).

Government spending on goods and services rose from the first to the fourth quarter by 7 per cent. More than one-half of the increase in this period took place at the provincial and municipal levels. For the year as a whole, government spending on goods and services rose by $500 million, of which about $45 million reflected increased capital outlays.

Business fixed capital formation rose in the second half of 1961, after declining in the earlier part of the year and by the fourth quarter of 1961 had surpassed the level achieved one year earlier. Movements were diverse throughout the year. During the first quarter of the year housing starts were at a very high rate carrying forward the upward movement begun in the last quarter of 1960. This increase in starts was not reflected in housing completions until the third quarter of the year. Starts declined from the very high rate in the first quarter, and then increased irregularly until the closing months of the year. For 1961 as a whole starts totalled about 125,000 units, some 15 per cent above the previous year, while completions were 116,000 units, 7 per cent below 1960. In November 1961 the N.H.A. maximum interest rate was lowered from 6¾ per cent to 6½ per cent.

Business investment in new plant and equipment is described more fully in the section on Investment and Capital Expenditure. In broad terms, outlays for both plant and equipment were somewhat below the levels of 1960, although within 1961 itself there was a firm upward trend during the second half of the year. For the first time in seven years there was a relative stability in costs of non-residential construction.

During 1961 there was a net liquidation of inventories in Canada. This liquidation was more than accounted for by a reduction in grain inventories which arose from a combination of increased marketings (notably exports) of grains and a much reduced grain crop in western Canada. On the other hand, there were some increased livestock inventories on farms. As against the net depletion of farm stocks there was an increase in holdings of non-farm business inventories of $209 million, with the largest increase taking place in the fourth quarter of 1961.

TABLE 6

CHANGES IN INVENTORIES

	1961 quarterly at annual rates				1961 Annual
	1Q	2Q	3Q	4Q	
	(Millions of dollars)				
Manufacturing	− 24	− 60	− 84	252	21
Wholesale Trade	68	16	− 4	176	64
Retail Trade	− 64	20	204	224	96
Other	80	192	− 12	−148	28
Non-farm Business Inventories	60	168	104	504	209
Farm Inventories and Grain in Commercial Channels	−392	−380	−420	−596	−447
Total Inventory Change	**−332**	**−212**	**−316**	**− 92**	**−238**

During 1961, manufacturers, especially of durable goods, continued to draw down stocks well after the pickup in general business activity, and it was not until the fourth quarter that significant accumulation of inventories took place in that sector. Other non-farm business sectors tended to accumulate inventories hesitantly and erratically in the course of the year. Over the year as a whole the buildup was small in relation to previous upswings and in the manufacturing sector the rate of increase in stocks was less than in shipments, so that at year end the ratio of stocks to sales was somewhat below that of the previous year.

Some indication of the modest increase in inventories may be given by measuring the "swing" in non-farm business inventories for the three quarters from the low point in general business activity for 1961 and 1958.

(1) Trough in Business activity	(2) Change in Non-Farm Business Inventories during quarter	(3) Change in Non-Farm Business Inventories three quarters after trough	(4) "Swing" Col. (3) Minus Col. (2)
	(Millions of dollars)		
1Q 1961	60	504	+444
1Q 1958	−688	72	+760

The moderate nature so far of the inventory upswing reflects, as has been previously noted, conditions of more ample supply and rapid delivery as well as more cost consciousness and a decline in the fear of the possibility of inflation. The lower rate of inventory accumulation in this upswing compared with the last may have had some bearing on the demand for financial resources and the lesser increase in interest rates as compared with the preceding upswing in 1958.

Exports of goods and services rose in 1961 more rapidly than imports, so that the deficit on current account narrowed, compared with 1960. The increase in exports was generally maintained throughout the year and was concentrated in commodity exports which rose to a new peak. There were, in addition, other significant developments which are discussed more fully in a subsequent section. For the first time since 1954, there was a surplus on merchandise trade account (adjusted to conform with balance of payments definitions).

Personal Income and Its Disposition

Personal income fell slightly from the fourth quarter of 1960 to the first quarter of 1961, but subsequently rose to $28.8 billion in the fourth quarter of 1961, a 5.6 per cent increase over the first quarter.

TABLE 7

SOURCES OF PERSONAL INCOME

—	1958	1959	1960	Prelim. 1961
	(Millions of dollars)			
1. Wages, salaries and supplementary labour income	16,521	17,463	18,119	18,884
Deduct: Employer and employee contributions to social insurance and government pension funds	−615	−651	−735	−781
2. Military pay and allowances	491	496	509	550
3. Net income received by farm operators from farm production[1]	1,201	1,123	1,188	909
4. Net income of non-farm unincorporated business	2,125	2,192	2,190	2,249
5. Interest, dividends and net rental income of persons[2]	2,277	2,551	2,742	2,850
6. Transfer payments to persons—				
(a) from government (excluding interest)	2,637	2,756	3,121	3,343
(b) charitable contributions made by corporations	38	42	44	45
7. Personal Income (1+2+3+4+5+6)	**24,675**	**25,972**	**27,178**	**28,049**

[1] Excludes undistributed profits of the Wheat Board and an inventory valuation adjustment on a calendar year basis for grain held by the Wheat Board.
[2] Includes all government debt interest paid to persons.

Among the components of personal income, wages, salaries, and supplementary labour income rose throughout the year; farm income itself, while lower for the year as a whole due to the smaller grain crop, was higher in the latter half of 1961. Income of unincorporated businesses rose during the second half of the year due to improvements in trade and construction. Interest and dividend payments to persons, along with net rental incomes, rose 5 per cent during the year. The increase throughout 1961 in transfer payments from Government (excluding interest) was the reflection of a regular growth in family allowances and old age security payments, as well as payments to farmers under the Prairie Farm Assistance Act. These increases were offset to some extent by lower unemployment insurance benefit payments as the numbers of unemployed declined during the year.

TABLE 8

DISPOSITION OF PERSONAL INCOME

—	1958	1959	1960	Prelim. 1961
	(Millions of dollars)			
1. Personal direct taxes—				
(a) income taxes	1,554	1,744	1,978	2,126
(b) succession duties	126	130	158	146
(c) miscellaneous taxes	115	213	221	232
Total direct taxes	1,795	2,087	2,357	2,504
2. Personal expenditure on consumer goods and services—				
Goods—				
(a) non-durable	10,878	11,303	11,699	12,139
(b) durable	2,499	2,678	2,667	2,694
Services	7,868	8,514	9,001	9,420
Total consumer expenditure	21,245	22,495	23,367	24,253
3. Personal saving—				
(a) personal saving excluding farm inventories	1,727	1,466	1,439	1,606
(b) change in farm inventories	−92	−76	15	−314
Total personal saving	1,635	1,390	1,454	1,292
4. **Personal Income** (1+2+3)	**24,675**	**25,972**	**27,178**	**28,049**

Personal disposable income followed somewhat the same pattern as personal income and increased by about 3 per cent over 1960. Personal direct taxes (including, in addition to personal income taxes, succession duties, motor vehicle licence fees, hospital insurance premiums, etc.) rose from the first to the third quarter but moderated during the rest of the year. Total payments increased by 6.2 per cent over 1960 to a total of $2,504 million. Personal income tax payments rose by 8.7 per cent from the first to the fourth quarter of 1961.

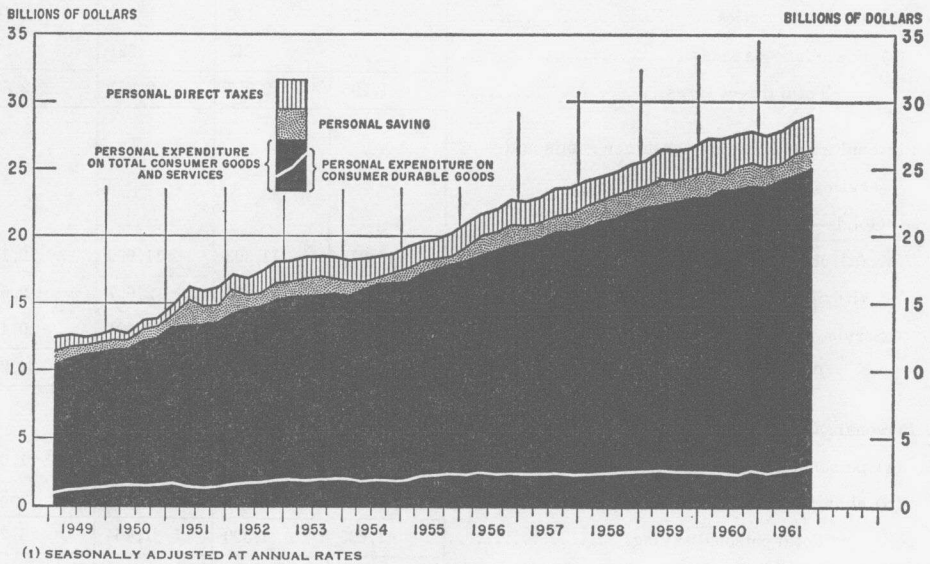
The trend of personal saving, i.e., personal disposable income less personal spending, was generally upward during the year.

TABLE 9

PERSONAL SAVING

	1956	1957	1958	1959	1960	1961
Personal saving as per cent of personal disposable income	6.5	5.7	7.1	5.8	5.9	5.1
Personal saving, excluding change in farm inventories as per cent of personal disposable income	5.4	6.2	7.5	6.1	5.8	6.3
	(Millions of dollars)					
(1) Personal disposable income	20,153	21,274	22,880	23,885	24,821	25,545
(2) Personal saving	1,320	1,202	1,635	1,390	1,454	1,292
(3) Change in farm inventories	+241	−125	− 92	− 76	+ 15	−314
(4) Personal saving excluding change in farm inventories	1,079	1,327	1,727	1,466	1,439	1,606

DISPOSITION OF PERSONAL INCOME[1]



For 1961 as a whole, personal saving amounted to 5.1 per cent of personal disposable income. Excluding change in farm inventories the percentage was 6.3 per cent, slightly higher than in four of the preceding five years.

Source and Disposition of Saving

Total saving declined in the first quarter of 1961 but rose steadily during the remainder of the year. As noted in last year's Budget White Paper and as illustrated in the accompanying chart, total national saving tends to follow closely the movements of general business activity.

TABLE 10

SOURCES OF SAVING

	1958	1959	1960	Prelim. 1961
	(Millions of dollars)			
Personal net saving[1]	1,635	1,390	1,454	1,292
Business gross saving—total	4,774	5,143	5,092	5,156
(a) Undistributed corporation profits[2]	876	989	793	779
(b) Capital consumption allowances and miscellaneous valuation adjustments	3,899	4,159	4,293	4,349
(c) Adjustment on grain transactions[3]	— 1	— 5	6	28
Inventory valuation adjustment	— 35	—130	—55	— 86
Government surplus (+) or deficit (—)[4]	—1,007	—520	—648	—893
Residual error of estimate[5]	102	— 43	35	—61
Total	**5,469**	**5,840**	**5,878**	**5,408**

(1) See Table 7.
(2) See Table 12.
(3) Accrued earnings arising out of operations of the Canadian Wheat Board.
(4) See Table 16.
(5) See Tables 1 and 3.

Despite the increase during the year, total saving for 1961 as a whole was below the average for 1960 as a whole. Most of this decline was due to the smaller grain crop which had the effect of reducing both personal saving (by lowering farm net income) and inventories. Apart from this, business saving rebounded from the first quarter decline as profits rose sharply in the remainder of the year. After payment of dividends, undistributed corporation profits by the fourth quarter of 1961 reached the highest level in three years. The total of capital consumption allowances rose slightly in 1961. The combination of rising capital consumption allowances and the increase in undistributed profits raised the rate of gross business saving in the fourth quarter of 1961 to a new dollar peak. The significance of this along with the rates of business investment in fixed capital and inventories is analyzed in the section on financial developments.

TABLE 11

DISPOSITION OF SAVING

	1958	1959	1960	Prelim. 1961
	(Millions of dollars)			
Business gross fixed capital formation	6,975	6,894	6,692	6,493
Value of physical change in inventories	—322	350	359	—238
Surplus (+) or deficit (—) on current account with non-residents[1]	—1,083	—1,448	—1,138	—909
Residual error[2]	—101	44	— 35	62
Total	**5,469**	**5,840**	**5,878**	**5,408**

(1) Minor adjustments have been made to the figures appearing in Table 31.
(2) See Tables 1 and 3.

The deficit on combined government account (national accounts basis) for 1961 as a whole was $245 million higher than in 1960, but the quarterly series suggest that the level of the deficit remained relatively unchanged from the

third quarter of 1960 through to the second quarter of 1961, and then declined. The government deficit at the federal level rose for the year as a whole from $251 million to $446 million, while the provincial and municipal deficits combined rose from $397 million to $447 million. The deficit, on a national accounts basis, at the federal and provincial and municipal levels was somewhat reduced in the second half of 1961.

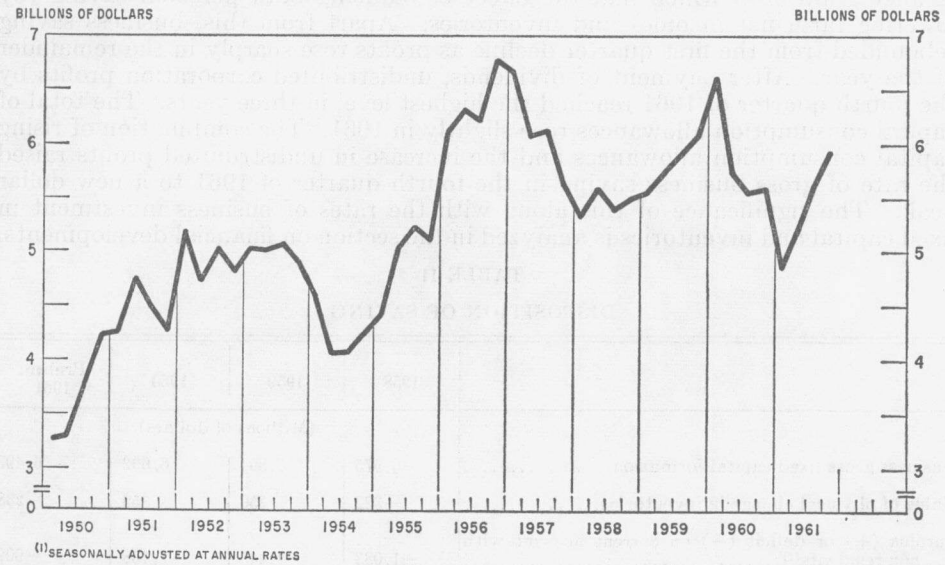
TABLE 12

CORPORATION PROFITS, TAXES AND DIVIDENDS

	1958	1959	1960	Prelim. 1961
	(Millions of dollars)			
Corporation profits before taxes including dividends paid to non-residents[1]	3,075	3,498	3,277	3,438
Deduct: Corporation income tax liabilities	1,315	1,580	1,562	1,610
Excess of tax liabilities over collections	— 24	143	—125	36
Tax collections	1,339	1,437	1,687	1,574
Corporation profits after taxes	1,760	1,918	1,715	1,828
Deduct: Dividends paid out[2]	884	929	922	1,049
Undistributed corporation profits[3]	876	989	793	779

(1) Includes depletion charges and is adjusted for losses, and for conversion to a calendar year basis.
(2) Includes charitable contributions made by corporations (See Table 7).
(3) See Table 10.

NATIONAL SAVING, BY QUARTERS, 1950-1961[1]



[1] SEASONALLY ADJUSTED AT ANNUAL RATES

Investment and Capital Expenditure

Private and public capital expenditure totalled $8,109 million in 1961, about 2% below the level of 1960. The entire decline was accounted for by private investment, which for the full year was below 1960, but which rose in the last half of 1961 and contributed to the upswing in the economy. By the fourth quarter seasonally adjusted business investment was 4% above the level of the first quarter of 1961, which marked the end of the previous downswing in general economic activity.

In Canada capital expenditures in 1961 constituted 22.0% of Gross National Expenditure, a figure which is high by international comparison but below the levels and proportions of the period of the mid-1950's.

In the first decade after World War II there was an unusual conjuncture of factors which led to very large "bunching" of investments. This phenomenon of "bunching" has been typical of Canadian development, but each period has been marked by different circumstances. At the end of the War there existed a vast accumulation of unsatisfied demand for consumer, social and industrial capital which had been running down ever since the end of the 1920's through the depression and war years. On top of these needs were the obvious requirements of European reconstruction and the related absence of foreign competition, which provided an additional stimulus to investment in Canadian facilities. While these factors were at work a number of other developments were taking place which gave additional emphasis to investments in Canada. For example, world political developments at that time made Canada a safe source of essential raw materials for U.S. defence needs. At the same time the associated boom in world commodity prices, along with large scale stockpiling programmes, led to sharp increases in capital outlays, especially in resource industries. At this time too, there was a general view that demands in the United States for certain industrial materials would soon exceed their domestic supplies. This added an air of urgency to the normal pace of exploration and development of sources of raw materials.

TABLE 13

PRIVATE AND PUBLIC CAPITAL EXPENDITURE

	1958	1959	1960	Prelim. 1961
	(Millions of dollars)			
Agriculture and fishing	465	539	550	521
Forestry	33	48	54	49
Mining, quarrying and oil wells	342	342	400	451
Manufacturing	1,095	1,144	1,178	1,024
Electric power, gas and water works	845	766	686	677
Transportation, storage and communications	1,308	1,076	1,086	987
Construction industry	157	145	130	132
Trade, finance and commercial services	705	833	875	857
Institutions	514	536	573	615
Housing	1,782	1,752	1,456	1,467
Government departments	1,118	1,236	1,274	1,329
Total Capital Expenditure[1]	**8,364**	**8,417**	**8,262**	**8,109**
Total Capital Expenditure as a percentage of Gross National Expenditure	25.4	24.2	23.0	22.0
Index of total Capital Expenditure in Constant Dollars	100.0	97.8	94.6	93.0

[1] For reconciliation with Business Gross Fixed Capital Formation in housing, plant and equipment in Table 3, see below.

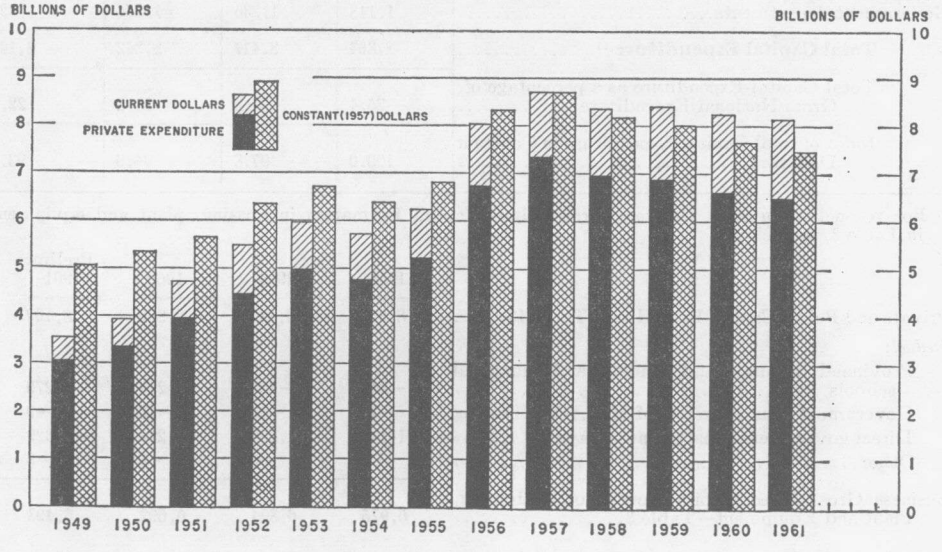
	1958	1959	1960	Prelim. 1961
Private and Public Capital Expenditure-Table 13	8,364	8,417	8,262	8,109
Deduct:				
Provincial hospitals and schools, and municipal schools	−247	−264	−278	−270
Government housing excl. C.M.H.C. rental housing	−19	−18	−13	−9
Direct government department outlays	−1,118	−1,236	−1,274	−1,329
Other	−5	−5	−5	−8
Business Gross Fixed Capital Formation in Housing, Plant and Equipment—Table 3	6,975	6,894	6,692	6,493

Since investments by modern large-scale enterprise are often made with a very long time horizon, because of the "lumpy" nature of many investments and the financial capabilities of large corporations, it is not surprising that, over short periods of time, some major classes of investment should tend to outstrip demand. In part, this was due to the over-optimism of some investors, at least in the short run. Historically, too, Canada has tended to "grow up" to its facilities so that from time to time some excess capacity exists temporarily. This has been the case over the past few years. Expectations have not been completely fulfilled as prices of primary products have receded and alternative sources of supply have been developed by other countries. At the same time, during recent years, a shift occurred in the strategic concepts underlying western defence, which brought about a virtual end to military stockpiling and a reduction in the materials content of military hardware. In these altered circumstances, the stimulus to develop Canadian sources of supply in the resource industries decreased. At the same time, in manufacturing, the rate of expansion in facilities was adversely affected by strong international competition and by slower growth in total domestic demand.

The result of all of these trends was a falling off in certain types of investment and, thus, a decline in the proportion of G.N.P. devoted to investment. This is a situation, of course, which calls for a shifting of resources, both human and material, either into other areas of investment, where demands are more immediately pressing, or into other sectors of the economy. These transfers of resources require high degrees of flexibility and mobility in the economy generally, especially of the labour force, if the slack in the economy is to be taken up.

Turning to 1961, total private and public investment was down about 2% from 1960 although there was increased investment in such sectors as mining, chemicals, oil and gas pipelines, universities, hospitals, and government departments. Increases in the above sectors were slightly more than offset by decreased fixed investment in agriculture, primary metals, petroleum refining, telephone utilities, and other industries. Capital expenditures by private business enterprises, apart from institutional investment, declined by 4 per cent in 1961 compared with 1960.

PUBLIC AND PRIVATE CAPITAL EXPENDITURE



Of the sectors where investment rose significantly, one of the larger gains was the 13% or $51 million increase for mining, quarrying and oil wells. This reflected additional iron ore development in the Quebec-Labrador boundary area. A sharp gain was registered in oil and gas pipeline construction in western Canada. The higher level of capital spending in institutional services includes a $25 million rise in hospital construction and equipment and a $15 million rise in construction in universities,which have started to accommodate the larger number of teenagers born in the mid-forties and seeking higher education. The increase in investment by government departments largely reflects a $42 million increase in federal capital expenditures.

In the manufacturing sector, investment in the chemical and chemical products industry rose $17 million. There were no marked changes in capital spending in such industries as food and beverages, leather, clothing and primary textiles, wood and paper, printing, machinery, and electrical equipment. The only noticeable declines occurred in transportation equipment, non-metallic minerals (asbestos, abrasives, cement, etc.), oil refining, and primary metals. The latter reflected the completion in the preceding year of the large nickel refinery in Thompson, Manitoba.

Capital expenditures in the transportation, storage and communications sector fell sharply. Increases in pipeline construction were more than offset by a $29 million decline in telephone utilities and a $115 million drop in railroad construction. The latter reflected the completion of railroads serving new iron ore mines in the Quebec-Labrador region.

Revenue and Expenditure of All Governments

Computed on the basis of the National Accounts definitions, expenditures in 1961 by all levels of government increased by approximately 8% over comparable expenditures in 1960. Since revenues for the year as a whole did not rise by the same proportion, the deficit for all levels of government increased by rather more than a third to an amount of $893 million.[1]

TABLE 14
REVENUE AND EXPENDITURE OF ALL GOVERNMENTS
(National Accounts Basis)

—	1960			1961		
	Revenue	Expenditure	Deficit	Revenue	Expenditure	Deficit
	(Millions of dollars)					
Federal	6,416	6,667	251	6,664	7,110	446
Provincial-Municipal	5,048	5,445	397	5,468	5,915	447
Total	**11,464**	**12,112**	**648**	**12,132**	**13,025**	**893**

In 1961, government expenditures on goods and services (excluding transfer expenditures) represented 19.5% of Gross National Expenditure. By way of comparison, expenditures of this type by all levels of government in 1952 after the rearmament programme stemming from the Korean conflict amounted to 17.8% of G.N.E. Over the past nine years, therefore, goods and services outlays by government have grown at a rate which is only slightly above that of the increase in Gross National Expenditure.

[1] The following section discusses only those government transactions relevant to the National Accounts. As a result the statistics differ from those shown in Public Accounts. Table 16 indicates the reconciliation between federal deficit or surplus for purposes of the National Accounts and the comparable figures appearing in the Public Accounts. In particular, federal corporate income taxes have been adjusted to an accrual basis. On a National Accounts basis, this adjustment decreased revenues in 1960 by $100 million and increased revenues in 1961 by $31 million.

TABLE 15

GOVERNMENT OUTLAYS ON GOODS AND SERVICES AS A PROPORTION OF G.N.E.

—	1952	1961
Expenditures by:		
Federal—Defence	7.5	4.4
Non-defence	2.9	3.7
Total Federal	(10.4)	(8.1)
Provincial and Municipal	7.4	11.4
All levels of Government	**17.8**	**19.5**

Within the overall total, there have been divergent movements at the various levels of government. Expenditures on goods and services by the federal government in 1961 represented a smaller share of Gross National Expenditure than in 1952, while the proportion at the combined provincial and municipal levels was appreciably higher.

While the term "goods and services" bears the connotation of expenditures for consumable goods and for current administrative services, it should be noted that the definition of goods and services in the government sector of Gross

TABLE 16

GOVERNMENT TRANSACTIONS RELATED TO THE NATIONAL ACCOUNTS

	1960	Prelim. 1961	Change
	(Millions of dollars)		
GOVERNMENT REVENUE—			
Direct Taxes—Persons	**2,357**	**2,504**	**+147**
Federal	2,016	2,132	+116
Provincial and Municipal	341	372	+ 31
Direct Taxes—Corporations	**1,562**	**1,610**	**+ 48**
Income—			
Federal	1,284	1,320	+ 36
Provincial	278	290	+ 12
Other Direct Taxes—			
Withholding taxes—Federal	**77**	**109**	**+ 32**
Indirect Taxes	**4,681**	**4,893**	**+212**
Federal	2,181	2,190	+ 9
Provincial and Municipal	2,500	2,703	+203
Investment Income	**1,058**	**1,112**	**+ 54**
Federal	384	406	+ 22
Provincial and Municipal	674	706	+ 32
Employer and Employee Contributions to Social Insurance and Government Pension Funds	**735**	**781**	**+ 46**
Federal	474	507	+ 33
Provincial and Municipal	261	274	+ 13
Transfers from Other Governments—			
Provincial and Municipal	**994**	**1,123**	**+129**
Total Revenue	**11,464**	**12,132**	**+668**
Federal	6,416	6,664	+248
Provincial and Municipal	5,048	5,468	+420

TABLE 16—Concluded

GOVERNMENT TRANSACTIONS RELATED TO THE NATIONAL ACCOUNTS

	1960	Prelim. 1961	Change
	(Millions of dollars)		
GOVERNMENT EXPENDITURE—			
Goods and Services	**6,683**	**7,183**	**+500**
Federal—			
Defence	1,548	1,617	+ 69
Non-defence	1,180	1,353	+173
Provincial and Municipal	3,955	4,213	+258
Transfer Payments to Persons	**3,121**	**3,343**	**+222**
Federal	1,980	2,014	+ 34
Provincial and Municipal	1,141	1,329	+188
Interest on Public Debt	**1,079**	**1,126**	**+ 47**
Federal	756	783	+ 27
Provincial and Municipal	323	343	+ 20
Subsidies	**235**	**250**	**+ 15**
Federal	209	220	+ 11
Provincial and Municipal	26	30	+ 4
Transfers to Other Governments—			
Federal	**994**	**1,123**	**+129**
Total Expenditure	**12,112**	**13,025**	**+913**
Federal	6,667	7,110	+443
Provincial and Municipal	5,445	5,915	+470
Deficit (−) or Surplus (+)	**−648**	**−893**	**+245**
Federal[1]	−251	−446	+195
Provincial and Municipal	−397	−447	+ 50
Total Expenditure minus deficit (or plus surplus)	**11,464**	**12,132**	**+668**
Federal	6,416	6,664	+248
Provincial and Municipal	5,048	5,468	+420

[1] Reconciliation with Public Accounts Surplus or Deficit shown below.

	1960	Prelim. 1961
	(Millions of dollars)	
Federal Government calendar year surplus for national accounts purposes	−251	−446
Adjustments:		
Difference between calendar and fiscal year	−75	+247
Difference between corporation tax accruals and government receipts	+100	−31
Revenue items omitted	+17	+22
Reserves, write-offs and similar items omitted from expenditure	−62	−49
Shipment of military equipment to NATO countries less replacement	—	—
Extra-budgetary funds for pensions and social insurance (net)	−41	−48
Adjustment to place debt interest on a "due date" basis	+3	−3
Other adjustments	−104	−32
Federal surplus for fiscal year as per public accounts	−413	−340

National Expenditure includes outlays by all levels of government on construction and capital equipment. Items of this type, which are of the nature of capital investment, include a wide variety of projects: housing, hospitals, schools, marine engineering projects, highways, transportation facilities and others. Over the past several years expenditures by government on construction, machinery and equipment have represented a relatively constant share, approaching one-quarter, of all government outlays on goods and services.

Turning to the revenue side, it has already been indicated that the year-to-year increase in government revenues in 1961 was less than the corresponding increase in expenditures. In 1961 revenues of all levels of government (excluding inter-governmental transfers) amounted to $11,009 million, an increase of 5% over revenues in 1960. However, the year-to-year comparison masks the significant change in government revenues, calculated on the National Accounts basis, which occurred between the first and last quarters of 1961. The table below indicates the nature of such changes and compares them with the record of earlier recovery periods.

TABLE 17

PERCENTAGE CHANGES IN REVENUES OF ALL GOVERNMENTS ON A NATIONAL ACCOUNTS BASIS

(Seasonally Adjusted at Annual Rates)

—	1960 to 1961	1Q 1961 to 4Q 1961	1Q 1958 to 4Q 1958	2Q 1954 to IQ 1955
Direct Taxes—Persons	6.2	7.5	2.1	6.1
Direct Taxes—Corporations	3.1	19.0	10.9	8.5
Indirect Taxes	4.5	7.3	2.1	4.5
Investment Income	5.1	5.7	11.9	4.1
Other	9.6	3.7	10.2	8.3
Total Revenue (Excluding inter-governmental transfers)	**5.1**	**8.5**	**5.0**	**5.7**

Revenues of all levels of government reached an annual rate by the fourth quarter of 1961, 9% above that of the first quarter, the low point in business activity. The gain in revenues was largely due to the increases in indirect tax receipts and accruals of corporation income taxes as the pace of economic activity quickened. By comparison, there were smaller proportionate increases in accrued government revenues in the first nine months of the upswings in economic activity in 1954 and in 1958.

TABLE 18

OUTLAYS ON NEW CAPITAL GOODS BY ALL LEVELS OF GOVERNMENT

—	Construction	Machinery and Equipment	Total[1]	% of Capital Outlays to Total Government Expenditures on Goods and Services
	(Millions of dollars)			
1959	1,386	137	1,523	24
1960	1,433	137	1,570	24
1961[2]	1,469	147	1,616	23

[1] These figures exclude investment expenditure by government business enterprises which is included in the national accounts item for business capital formation.

[2] Preliminary.

Total expenditure at all levels of government includes not only expenditures on goods and services, but also outlays for transfer payments to persons, interest on the public debt and subsidies. Calculated in this manner, total expenditures by all levels of government (excluding inter-governmental transfers) in 1961 were $11,902 million, an increase of 7% over expenditures in 1960. This figure indicates the gross effect of government operations on the economy, since it

includes transfer payments to individuals which in turn may be used for expenditures on goods and services. The proportion of total government outlays represented by the categories of expenditure cited above is indicated in the table below.

TABLE 19

PERCENTAGE DISTRIBUTION OF TOTAL EXPENDITURES
ALL LEVELS OF GOVERNMENT

(Excluding inter-governmental transfers)

—	1952	1957	1960	1961
Goods and services	67.7	66.1	60.1	60.3
Transfers to persons	21.5	24.0	28.1	28.1
Interest on public debt	9.2	8.5	9.7	9.5
Subsidies	1.6	1.4	2.1	2.1
	100.0	100.0	100.0	100.0

Outlays on goods and services have declined from 68% of total government expenditures in 1952 to 60% in 1961, while payments to persons increased during the same period from 22% to 28%. This change has been particularly marked since 1957.

Expenditures by government on goods and services and on transfers to individuals increased in 1961 by almost identical proportions. Expenditures on goods and services by the federal government and by the combined provincial and municipal levels contributed about equally to the increase in this item. For transfer payments to persons, however, higher provincial and municipal outlays on grants to hospitals under federal-provincial hospitalization insurance arrangements contributed the bulk of the increase in 1961. Federal transfer payments to persons for the year as a whole increased by only a small proportion due to the effect in the last half of the year of lower outlays on unemployment insurance benefits. Interest on the public debt was somewhat higher in 1961 than in 1960 at the federal and provincial and municipal government levels. Government expenditure on subsidies increased by $15 million as interim subsidies by the federal government under the Freight Rates Reduction Act more than offset a reduction in payments under the Agricultural Stabilization Act while provincial government outlays of this type in 1961 were almost unchanged from the amounts recorded in 1960.

Federal transfers to other levels of government amounted to $1,123 million in 1961, an increase of 13% over 1960. By far the largest factor contributing to this increase was the rise in the federal government share of hospital insurance expenditures. The entry of Quebec into the federal-provincial hospital insurance arrangements on January 1, 1961, accounted for about two-thirds of this increase, but total grants to other provinces increased substantially as well. Increased payments to the provinces for unemployment assistance and higher federal expenditures under the Winter Works Program also contributed to the increase in federal transfers in 1961.

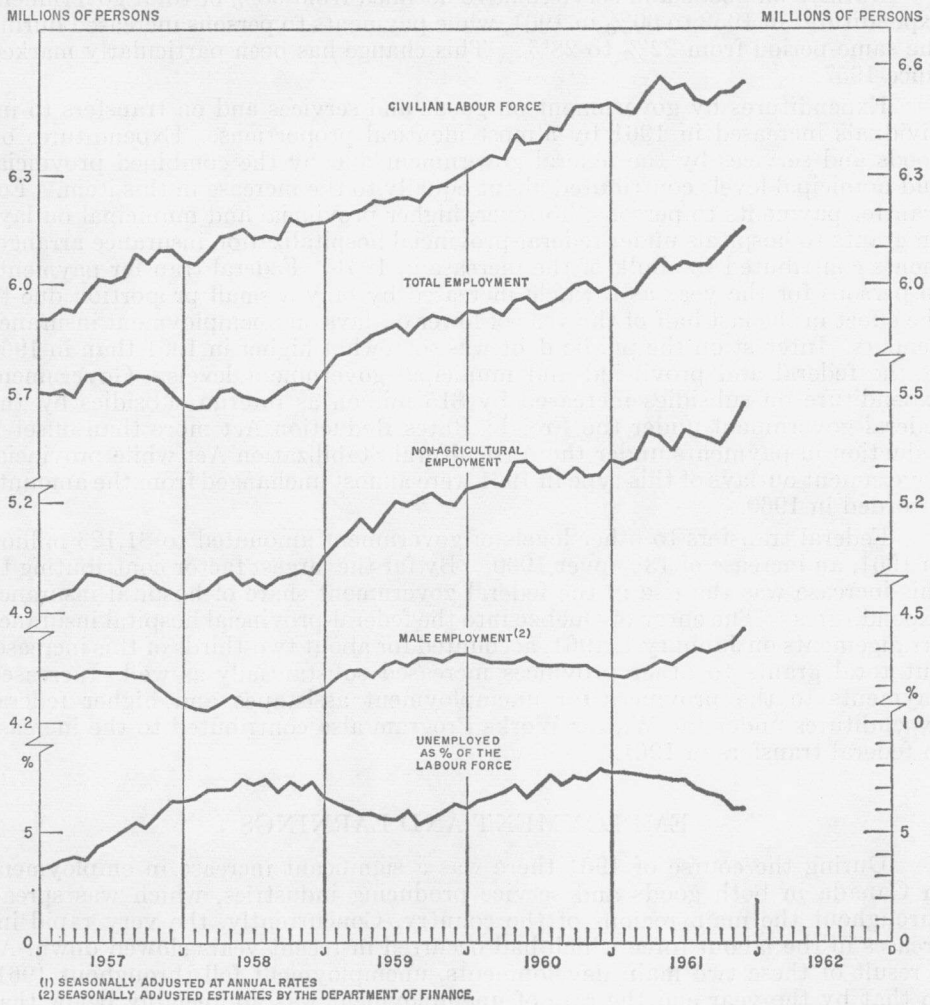
EMPLOYMENT AND EARNINGS

During the course of 1961 there was a significant increase in employment in Canada in both goods and service producing industries, which was spread throughout the main regions of the country. Concurrently, the very rapid increases in the labour force which had occurred in recent years slowed down. As a result of these two main developments, unemployment fell throughout 1961, so that by the year end the rate of unemployment was appreciably below that

at the beginning of 1961, seasonal factors apart. The greater share of the increase in employment during 1961 occurred among male wage earners, in marked contrast with the experience of the recent past, and reflected the upswing in production in the commodity-producing industries which took place during this period.

The increase in employment began about April, after allowing for normal seasonal movements, and from then until year end there was an increase in total employment of more than 3 per cent. By December 1961 there were 180,000 more people employed in Canada than a year earlier of which 125,000 were men and 55,000 women. The gain in female employment marked a continuation of the upward trend observed over the past decade when increasing numbers of women were finding employment in a wide variety of industries, notably the service industries. The gains in male employment, however, marked a change from the relative stability prevailing since 1956.

THE LABOUR FORCE[1]



(1) SEASONALLY ADJUSTED AT ANNUAL RATES
(2) SEASONALLY ADJUSTED ESTIMATES BY THE DEPARTMENT OF FINANCE.

The increases in employment were all accounted for in the non-agricultural sectors. More than half of the gains were in Quebec and Ontario, but employment in the Prairies, Atlantic provinces and British Columbia also rose significantly and the percentage increases in all regions were of the order of 2 to 4 per cent from the end of 1960 to the end of 1961. Employment in the goods-producing industries rose somewhat more than in the service-producing industries. The gain in the latter sector constituted a continuation of the post-war increases, whereas the rise in employment in the former sector was the first in about two years. The manufacturing and construction industries accounted for almost all of the gain in the goods-producing industries.

The rate of increase in the labour force slowed down in 1961, compared with very rapid rates of growth in recent years. As noted in last year's Budget White Paper, rates of increase in Canada's labour force over the past decade or so had been two or three times those of other industrialized countries. The phenomenon of deceleration in the rate of growth of the labour force occurs from time to time and is the result of a variety of factors. There was a particularly sharp drop in the labour force participation rates (which measure the percentage of any group working or seeking work) in the male age groups 14-19 and 20-24, reflecting the larger number of males in these age groups remaining in school and receiving fuller training. It will be recalled that the unemployment rate of young males is very much higher than that of the rest of the labour force and the average level of skills and education among these unemployed is quite low. There was very little change in the participation rate of the group of prime working age, 25-64.

The participation rate of females continued its long-term rise, although the increase moderated. This was the net result of two conflicting movements: the youngest female age group, 14-19, showed a decline, though not as large as in the corresponding male age group. On the other hand, participation rates of women in the 20-64 age bracket continued to increase. Much of this rise was accounted for by employment of married women. In December 1961, almost one-half of employed females were married, compared with one-third only eight years ago.

During 1961 the rate of unemployment declined from 7.8 per cent of the labour force in January to 6.1 per cent in December, after allowing for seasonal elements. Almost all of the decline was in the male unemployed and took place mainly in Quebec, Ontario and British Columbia.

The improvement in the unemployment rate during 1961 contrasts with the experience of the past two upswings in business activity. The following table shows the unemployment rates (seasonally adjusted) at the low point in activity and the rates after three quarters of upswing.

Trough	Unemployment Rate	Three Quarters after trough	Unemployment Rate	Change
1Q 1961	7.8	4Q 1961	6.3	−1.5
1Q 1958	6.7	4Q 1958	7.2	+0.5
2Q 1954	4.6	1Q 1955	4.8	+0.2

Labour income responded to the increased pace of employment during 1961. The increase in labour income began to accelerate after April, and between the eight months of April and December 1961 the increase in labour income was as large as in the preceding 15 months. In the last three quarters of 1961 there were substantial gains in labour income in the goods-producing industries, in contrast to declines in the immediately preceding period, and continued increases in labour income in the service-producing industries.

Total labour income rose by more than 5 per cent from the first to the fourth quarter of 1961. During this period average hours worked per week in manufacturing increased about 1 per cent and average hourly earnings between 2 per cent and 3 per cent. The rise in employment was about 2½ per cent. With consumer prices rising by less than 1 per cent during 1961 there was an increase in per capita real earnings in the order of 2 to 3 per cent.

PRICE TRENDS

Prices of goods and services produced in Canada rose only fractionally in the aggregate in 1961 compared with 1960. This is in contrast to the experience of many industrialized countries in Europe where prices rose more rapidly than in North America. While world prices of commodities generally have not increased in the recent past, pressures of other costs in Europe have been upward. Price increases in Canada in almost every major sector were smaller in 1961 than in the previous year, which in itself was a period of relative price stability. The one exception was in international trade, where prices of both imports and, to a lesser extent, exports rose in response to the lower level of the Canadian exchange rate.

The smaller rise in 1961 in the price of capital goods relative to 1960 was the result of very little increase in residential and non-residential building costs offset to some extent by a larger increase for new machinery and equipment which has a substantial import content. Residential construction costs in the fourth quarter of 1961 were at about the same level as in the final quarter of 1960.

TABLE 20

PERCENTAGE PRICE CHANGES

(Implicit Price Indexes of GNE and Components)

—	1959/1958	1960/1959	1961/1960
Consumer expenditure	+1.4	+1.2	+0.9
Goods	+0.6	+0.5	+0.2
Services	+2.6	+2.2	+1.8
Government expenditure	+3.4	+2.2	+1.8
Business gross fixed capital formation	+2.8	+2.2	+0.9
New Residential construction[1]	+3.7	+2.7	+0.5
New Non-residential construction[1]	+3.1	+2.4	+0.4
New machinery and equipment	+1.8	+1.9	+1.7
Exports of goods and services	+1.5	+0.9	+1.2
Imports of goods and services	−0.6	+1.4	+2.8
Gross National Expenditure	**+2.6**	**+1.4**	**+0.7**

[1] Price indexes of these sectors are measured mainly by elements entering into costs (materials and labour purchased) rather than final selling prices, and generally it has not been possible to allow for changes in productivity. Over short periods of time, these cost indexes are not likely to vary to any extent from indexes of actual selling prices. Over longer periods, it may be that these cost deflators overstate price increases.

The consumer price index for 1961 averaged 129.2 compared with 128.0 for 1960, an increase of just under one per cent. This fractional increase in 1961 marks the second successive year in which over-all consumer prices demonstrated comparative stability in contrast to average annual increases of more than 2 per cent in the previous five years.

TABLE 21

PERCENTAGE INCREASE IN CONSUMER PRICES

Period	Total Percentage Change over the Period
1955–1957	+4.7
1957–1959	+3.8
1959–1961	+2.1

The consumer price index declined from 129.2 in January, 1961 to 129.0 in March where it remained until August. In August and September, the index was 129.1. Successive monthly increases in the final quarter of the year, associated mainly with seasonal movements in food prices and to some extent reflecting the introduction of the Ontario Sales Tax, raised the index to 129.8 in December, 1961, fractionally above the level of 129.6 in December, 1960.

The following table shows that the increase in consumer prices in the last quarter of 1961 over the last quarter of the preceding year was due to higher costs in the services component. The index for total services rose 1.2 per cent while the index for total goods was virtually unchanged. The stability in the total goods component was the result of an increase of about one-half of one per cent in non-durable prices and a decline of nearly two per cent in durable prices, the latter reflecting lower prices for electrical household appliances and new automobiles. The federal excise tax of 7½ per cent on new automobiles was removed on June 21, 1961.

TABLE 22

PERCENTAGE CHANGES IN CONSUMER PRICE INDEXES

—	4Q 1959 / 4Q 1958	4Q 1960 / 4Q 1959	4Q 1961 / 4Q 1960
Total Goods and Services	+1.5	+1.1	+0.4[1]
Commodities	+1.0	+0.8	+0.1
Commodities excluding Food	+1.6	—	+0.1
Food	+0.5	+1.6	+0.1[1]
Durable Goods	+0.8	−1.3	−1.6
Household Equipment	+0.2	−0.9	−1.5
Transportation Equipment	+2.7	−2.3	−1.8
Non-Durable Goods	+1.2	+1.1	+0.5
Non-Durable Goods excluding Food	+1.9	+0.3	+0.7
Textiles	−0.3	+0.5	+1.4
Other Non-Durable Goods	+2.7	—	+0.3
Services	+2.2	+1.8	+1.2
Services excluding Shelter	+3.0	+2.6	+1.9

[1] Changes based on 1957 weighted index.

The much smaller increase in the price of services is of some significance. In part, this is due to lesser increases in shelter costs. In the last five years or so, as housing construction has filled the pressing backlogs of housing needs, the pressure on shelter costs, particularly rent, has been eased. General increases throughout all other components have been more responsible for recent increases in the services index. The largest increases have occurred in health care, public transportation and vehicle operating costs.

The wholesale price index, which is heavily weighted with export and import goods, prices of which are generally affected by changes in the value of foreign currency, rose on average in 1961 by 1 per cent, with somewhat larger increases taking place in the second half of the year as the exchange rate declined. The largest increases appeared in prices of raw and partly manufactured goods, industrial materials and iron and non-ferrous metals and products. The building materials price index, both residential and non-residential, declined during the course of the year and were lower on average in 1961 than in 1960.

TABLE 23

INDEXES OF SELECTED WHOLESALE PRICES
(1935-1939=100)

—	1959	1960	1961
Raw and partly manufactured goods	210.9	209.6	212.6
Fully and chiefly manufactured goods	241.6	242.2	244.4
Industrial materials	240.2	240.4	243.2
Iron and non-ferrous metals and products	248.3	250.6	253.3
General Index of Wholesale prices	**230.6**	**230.9**	**233.3**

It is of interest to compare the behaviour of prices over the course of the business upswing in 1961 with that of 1958. The following table shows changes in price levels from the low point in activity in the first quarter of 1961 and from the previous peak in the first quarter of 1960 to the fourth quarter of 1961. It makes similar comparisons with the preceding upswing in 1958.

TABLE 24

PERCENTAGE CHANGES IN PRICE LEVELS

	3 quarters after trough	3 quarters after trough from previous peak	3 quarters after trough	3 quarters after trough from previous peak
	4Q 1958 / 1Q 1958	4Q 1958 / 1Q 1957	4Q 1961 / 1Q 1961	4Q 1961 / 1Q 1960
Consumer Price Index	+1.9	+4.8	+0.4	+1.2
Commodities	+0.8	+3.1	+0.2	+0.7
Services	+2.8	+7.0	+1.2	+2.7
General Index of Wholesale Prices	+0.3	−0.1	+1.9	+2.4
Gross National Expenditure Implicit Price Index	+1.9	+3.5	+0.2	+1.4

The table shows clearly that price movements in the current upswing have been much less than in the one preceding. This is particularly apparent in the case of the consumer price index and the overall price deflator of Gross National Expenditure. In the 1958 upswing, while commodity prices in general did not increase, as seen by the movement of the Wholesale Price Index, the other indexes which measure a wider range of final goods and services continued to move up. In part, this was due to significant increases in service and other

costs which are added to the cost of materials. These cost increases had their roots in the inflationary conditions of the mid-1950's and reflected a delayed reaction to events at that time.

CANADIAN WHOLESALE AND CONSUMER PRICE INDEX



During the current upswing, while wholesale prices have risen somewhat, as explained previously, because of exchange rate movements, their effect on final prices of goods and services has been very slight. The smaller increases in service prices reflect a much different environment, including less intense pressure on and greater availability of resources.

BALANCE OF INTERNATIONAL PAYMENTS

There was a significant improvement in Canada's balance of payments in 1961 as the deficit on current account was reduced to $989 million from $1,217 million in 1960 and $1,504 million in 1959. This improvement was made possible by a surplus on merchandise trade account which (aside from a minor amount in 1954) was the first such surplus since 1952. The improvement arising from merchandise trade more than offset a further increase in the deficit on non-merchandise account, which did not, however, rise as rapidly as in most years of the past decade. At the same time, there was a substantial reduction in the inflow of long-term capital to the lowest level since 1955, and an increase in the inflow of other forms of capital.

Important changes occurred in the capital account over the past few years. In 1961, the inward net capital movement was reduced substantially and was at the lowest level since 1955.

A summary of capital movements for the past four years is given in table 25.

The amount of inflow for direct investment was lower in 1961 than in 1960 or 1959 and was at the same level as 1958. In part, the decline reflected a reduction in transactions related to take-overs of existing enterprises, which had

been more important in 1960. In part, the decline was related to the phasing-out of some major projects. As in 1960, a substantial proportion of direct investment was related to the petroleum, natural gas and mining industries. In 1961, direct investment abroad totalled $110 million, an increase of $25 million above 1960.

Net inflows from security transactions were somewhat higher in 1961 than in 1960, but well below the levels of the preceding four years.

In 1961 the composition of inflows from security transactions changed substantially from earlier years. Provincial government net new issues acquired by non-residents declined sharply from 1959 to 1960 and declined further in 1961. Municipal government net new issues acquired by non-residents declined moderately from 1959 to 1960. In 1961 there was a small net retirement of municipal bonds held by non-residents. Thus, net new issues of provincial and municipal governments held by non-residents fell very sharply over the period 1959 to 1961. On the other hand, net new issues of corporate securities rose sharply in 1961, following two years of relatively small amounts of financing from abroad. Important among the corporate securities purchased by non-residents in 1961 were securities of petroleum and natural gas corporations, real estate investment corporations, some financial institutions and the pulp and paper industry. In some cases it would appear that sales of corporate securities to non-residents are arranged for apart from considerations of interest rates or exchange rates and may take into account other factors including, for example, special relationships between borrower and lender and relative ease of placement of large issues.

While the data show a considerable decline in total capital inflow in 1961, a more detailed analysis by quarters is of considerable interest.

TABLE 25

INTERNATIONAL PAYMENTS

CAPITAL ACCOUNT

—	1960				1961			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	(Millions of dollars)							
Direct investment: in Canada	+196	+144	+168	+137	+120	+140	+ 75	+ 85
abroad	− 15	− 25	− 29	− 16	− 40	− 35	− 15	− 20
Canadian securities								
Trade in outstanding bonds and debentures	+ 19	+ 15	− 19	− 12	+ 31	+ 34	− 12	+ 10
Trade in outstanding common and preference stocks	+ 13	+ 24	+ 10	+ 2	+ 13	+ 32	.....	− 5
New issues	+209	+146	+ 52	+ 40	+ 90	+171	+127	+104
Retirements	− 50	− 78	− 32	− 93	− 69	− 93	− 29	−101
Foreign securities								
Trade in outstanding issues	+ 7	− 5	+ 2	− 24	+ 3	.....	+ 2	− 10
New issues	− 2	− 3	− 2	− 11	− 5	− 18	− 6	− 5
Retirements	+ 6	+ 3	+ 7	+ 2	+ 2	+ 2	+ 3	+ 2
Loans by Government of Canada								
Drawings	.....	.....	.....	.....	.....	.....	.....	.....
Repayments	.....	+ 7	.....	+ 25	+ 3	+ 8	.....	+ 27
Subscriptions in Gold and U.S. dollars to International Financial Agencies	.....	.....	− 1	− 2	.....	.....	.....	.....
Change in Canadian dollar holdings of foreigners	− 2	− 2	+ 45	+ 79	− 5	− 72	− 1	+ 44
Change in official holdings of gold and foreign exchange (increase, −)	+ 11	+ 82	− 40	− 14	−105	− 51	+ 62	−135
Other capital movements	− 71	+162	− 39	+191	+305	+196	−140	+270
Net Capital Movement	**+321**	**+470**	**+122**	**+304**	**+343**	**+314**	**+ 66**	**+266**

During the course of 1961 while actual deliveries of Canadian securities to non-residents (which measure the capital inflow) did not decline, there was a significant decline in contracts in the latter half of the year.

TABLE 26

NEW ISSUES OF CANADIAN BONDS SOLD TO UNITED STATES RESIDENTS

Quarter		Contracts	Deliveries
		(Millions of dollars)	
1960	1	182	185
	2	100	125
	3	53	33
	4	103	26
1961	1	122	80
	2	87	141
	3	52	103
	4	64	84

The decline in net capital inflow from security transactions of provincial and municipal governments in 1961, as a whole, and the decline throughout 1961 in new issues contracted for sale to non-residents were undoubtedly related in part to the narrowing of the differential between Canadian and U.S. interest rates, to the reduction in the level of Canadian interest rates and the greater availability of long-term funds in the Canadian capital market, and to amendments in the withholding tax in December, 1960.

TABLE 27

NET NEW ISSUES OF BONDS AND STOCKS—FOREIGN CURRENCY

(Including Net Disinvestment of Government accounts)

—	1960	1961				
	Annual	Annual	1Q	2Q	3Q	4Q
		(Millions of Canadian dollars)				
Federal	−1	−55	−51	−3	.....	.....
Net New Issues	.....	−56	−51	.....	.....	−5
Net Disinvestment (+)	−1	2	.....	−3	.....	5
Provincial	18	7	15	−18	.....	10
Municipal	85	−12	−7	15	−4	−16
Corporate (including corporate stocks)	4	114	−7	61	59	1
Total	106	55	−49	55	55	−5

NOTE: Figures may not add due to rounding.

Turning to short-term capital flows, these reflect a variety of elements moving in both directions and responding to diverse factors including seasonal elements associated with the financing of trade, short-term interest rate differentials, both hedged and unhedged, the views of Canadian residents regarding holdings of foreign assets and non-residents regarding holdings of Canadian assets.

During 1961, non-resident holdings of Canadian treasury bills, which had been increasing for three consecutive quarters until the middle of 1961, were reduced in June and in the third quarter by more than $100 million, following a significant narrowing of the hedged differential between Canadian and United States treasury bill rates. This outflow was offset to some extent in

the third quarter by an increase in non-resident holdings of Canadian dollar deposits, some of which were interest-bearing, in chartered banks amounting to $33 million. In the fourth quarter of 1961 there was some increase in non-resident holdings of treasury bills as well as some further accumulation of Canadian dollar deposits.

Another component of short-term capital which showed sharp movements in 1961 was private and banking holdings of foreign exchange. In the first half of 1961 these holdings, some of which originate from commercial transactions, were reduced by $182 million, but in the third quarter there was an increase of $140 million. In the final quarter of 1961, most of this increase was repatriated. All other components of short-term capital in total showed an inward movement throughout the four quarters of 1961.

TABLE 28

INTERNATIONAL PAYMENTS: CAPITAL MOVEMENTS

—	1958	1959	1960	Prelim. 1961
	(Millions of dollars)			
Direct investment in Canada	+420	+550	+645	+420
Direct investment abroad	− 48	− 80	− 85	−110
Canadian securities—				
Trade in outstanding bonds and debentures	.....	+ 91	+ 3	+ 63
Trade in outstanding common and preference stocks	+ 88	+110	+ 49	+ 40
New issues	+677	+707	+447	+492
Retirements	−158	−258	−253	−292
Foreign securities	+ 3	− 33	− 20	− 30
Loans by Gov't of Canada—Drawings	− 34	− 1	.....	.....
Repayments	+ 64	+ 34	+ 32	+ 38
Subscriptions to IMF, IFC and IBRD in gold and US dollars	.....	− 59	− 3	.....
Change in Canadian dollar holdings of foreigners	+106	+ 13	+120	− 34
Change in official holdings of gold and foreign exchange (increase, −)	−109	+ 70	+ 39	−229
Other capital movements	+122	+360	+243	+631
Net capital movement	**+1,131**	**+1,504**	**+1,217**	**+989**

Another factor which is assuming a more important role in the capital account is the extension of export credit facilities. The provision of export credits does not, of course, in itself always imply a net extension of credit from Canadian sources. Many of the claims are receivable in United States funds and may, in effect, be discounted outside Canada. However, aside from this, there have been net extensions of export credit of various kinds. Canada's Export Credits Insurance Corporation has long made available insurance to Canadian exporters of goods and services to protect them against non-payment by foreign buyers due to the various risks involved in foreign trade. In the spring of 1960 the Chartered Banks of Canada joined in setting up the Export Finance Corporation of Canada Ltd. to finance insured exports of capital goods through the provision of medium-term credit ranging up to five years.

Complementing these medium-term arrangements, the guarantee facilities of the Export Credits Insurance Act were extended to longer-term credit and the Government Agency, the Export Credits Insurance Corporation, was authorized

to buy guaranteed instruments for direct financing of export sales. Commitments to extend credit to foreign purchasers of capital equipment in Canada have already begun to be made, but the resultant capital outflows will only arise as and when disbursements take place. For the year 1961, such outflows were negligible.

Apart from these facilities the Government has guaranteed substantial credits for the Canadian Wheat Board to conclude sales of wheat and barley to Communist China on a short-term credit basis.

In August, 1961, arrangements were made for the drawing by the United Kingdom of U.S. $1,500 million from the International Monetary Fund. Canadian participation in this drawing had the net effect of reducing both Canadian liabilities to the International Monetary Fund by $52 million and gold and foreign exchange holdings by about the same amount during the third quarter of 1961.

During 1961, total Canadian merchandise exports rose by 9.2 per cent compared with a 5 per cent increase in 1960. Imports rose by 3.1 per cent during this same period. As a result, trade data for 1961, adjusted for balance of payments, showed a surplus of $179 million in contrast to a deficit of $145 million for 1960.

TABLE 29

INTERNATIONAL PAYMENTS: BALANCE ON MERCHANDISE TRADE

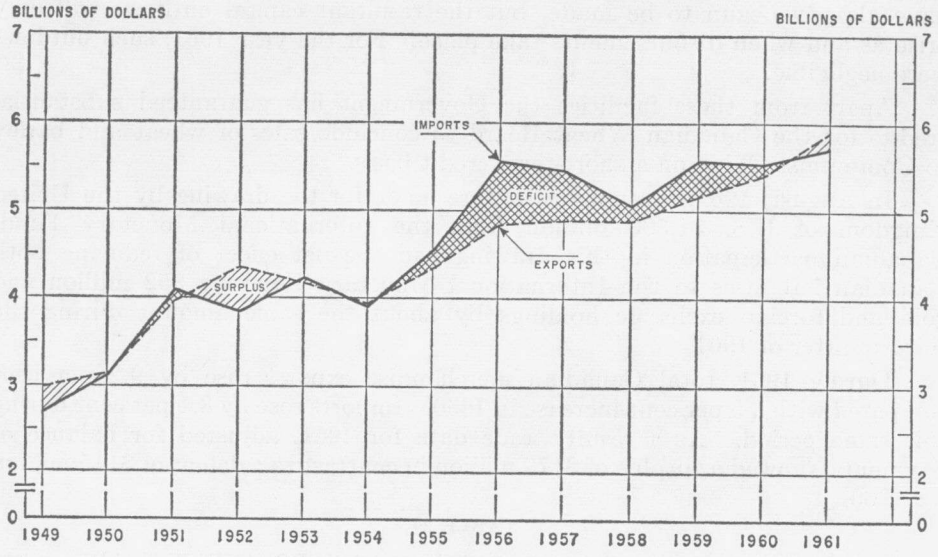
—	1960	1961	Percentage Change 1960/1961
	(Millions of dollars)		
Merchandise exports	5,400	5,896	+9.2
Merchandise imports	5,545	5,717	+3.1
Trade balance	**−145**	**+179**	

Within 1961 itself, exports of goods moved generally upwards while imports, which had moved downward irregularly from the beginning of 1960, increased in the latter half of the year. In the fourth quarter of 1961, the volume of imports, seasonally adjusted, was at about the same level as in the first quarter of 1960, although the value was higher. Movements of both exports and imports in 1961 were strongly affected by the business upturn in North America.

The value of merchandise exports amounted to $5,896 million for 1961, a new record, compared with $5,400 million during the previous year; increases in exports of agricultural products represented the largest share of the increase from the 1960 level. Exports of grain, forest products, nickel and petroleum increased substantially and there was some decline in exports of iron ore, copper and uranium. Larger export credit facilities and a more favourable exchange rate explain some of these increases. At the same time, the increase in economic activity in the United States and the maintenance of high levels of activity abroad helped provide a more expansionary environment for exports.

The value of merchandise imports for 1961 was $5,717 million; this was somewhat higher than in 1960. The growth in imports in 1961 was widely distributed among various items although there were somewhat larger than average increases in imports of machinery and equipment from the United States.

IMPORTS AND EXPORTS OF MERCHANDISE



The improvement in the trade balance was widespread on a geographical basis. The trading deficit with the United States was reduced, while the surplus with the United Kingdom rose slightly. The sharpest improvement took place with all other countries.

TABLE 30

GEOGRAPHICAL DISTRIBUTION OF MERCHANDISE TRADE BALANCE

	Exports		Imports		Trade Balance		Percentage change	
	1960	1961	1960	1961	1960	1961	1960/1961	
	(Millions of dollars)						Exports	Imports
United States	3,039	3,215	3,715	3,831	−676	−616	+ 5.8	+3.1
United Kingdom	924	923	611	588	+313	+335	− 0.1	−3.8
Other Countries	1,437	1,758	1,219	1,298	+218	+460	+22.3	+6.5
Total	**5,400**	**5,896**	**5,545**	**5,717**	**−145**	**+179**	**+ 9.2**	**+3.1**

The deficit in non-merchandise transactions increased by $96 million in 1961 over 1960, compared with relative stability for 1960 over 1959, but the rate of increase was well below the average annual increase of the last decade.

There were a number of interesting developments on the non-merchandise account. The travel account showed a significant improvement, with receipts in 1961 rising by $53 million while payments rose by only $6 million. At the same time there was a gain of $18 million from receipts of dividends, in contrast to a $4 million decline in the preceding year. Payments of interest and dividends rose by $102 million in comparison with the $2 million decrease in 1960, but this rise masks a very unusual shift between the fourth quarter of 1960 and the first quarter of 1961, as some payments of dividends were made in the first quarter of 1961, rather than in the last quarter of 1960, in contrast to past experience. The result of this shift was that the figures for 1960 were somewhat lower than usual and those for 1961 were correspondingly higher.

BALANCE ON NON-MERCHANDISE TRANSACTIONS

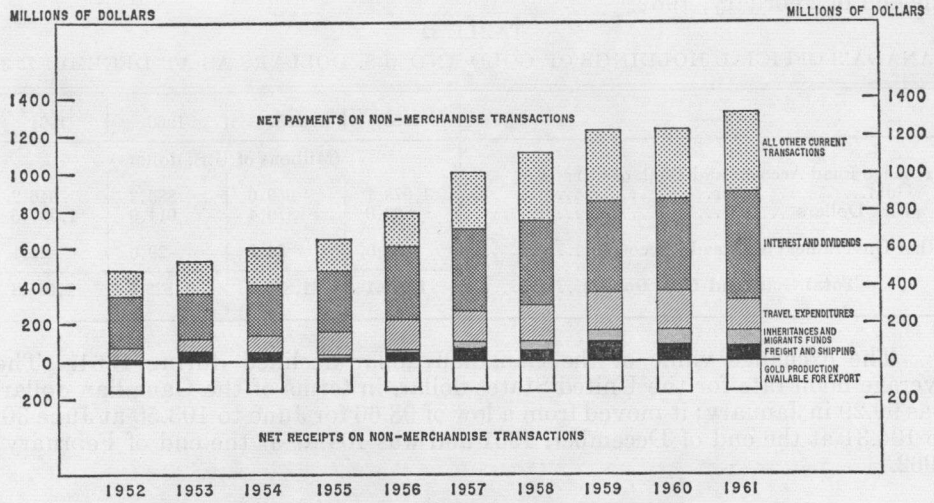


TABLE 31

INTERNATIONAL PAYMENTS: CURRENT ACCOUNT

—	1958	1959	1960	Prelim. 1961
	(Millions of dollars)			
Current Receipts—				
Merchandise exports (adjusted)[1]	4,887	5,150	5,400	5,896
Gold available for export	160	148	162	158
Travel expenditures	349	391	420	473
Interest and dividends	168	182	178	196
Freight and shipping	401	420	442	467
Inheritances and immigrants' funds	97	109	102	103
Other current receipts	375	392	420	388
Total Current Receipts	**6,437**	**6,792**	**7,124**	**7,681**
Current Payments—				
Merchandise imports (adjusted)	5,066	5,572	5,545	5,717
Travel expenditures	542	598	627	633
Interest and dividends	612	671	669	771
Freight and shipping	460	525	533	554
Inheritances and emigrants' funds	145	165	181	183
Other current payments	743	765	786	812
Total Current Payments	**7,568**	**8,296**	**8,341**	**8,670**
Balance on Merchandise Trade	−179	−422	−145	+179
Balance on other Transactions	−952	−1,082	−1,072	−1,168
Current Account Balance	**−1,131**	**−1,504**	**−1,217**	**−989**

[1] Aid to NATO countries under Defence Appropriation Act has been excluded.

Official Canadian holdings of gold and foreign exchange varied somewhat in the course of 1961. Holdings at December 31, 1960 were $1,829 million and at the end of May, 1961, the last month end prior to the June budget, were $1,949 million. After moving both up and down throughout the remaining months of 1961, official holdings at February 28, 1962 (the latest available month) were $1,747 million. Apart from an advance of U.S. $50 million in connection

with the United Kingdom drawing from the International Monetary Fund, there was thus a reduction of $32 million between the beginning of 1961 and the end of February, 1962.

TABLE 32

CANADA'S OFFICIAL HOLDINGS OF GOLD AND U.S. DOLLARS AS AT DECEMBER 31

—	1958	1959	1960	1961
	(Millions of U.S. dollars)			
Exchange Fund Account and Bank of Canada—				
Gold	1,078.1	959.6	885.3	946.2
U.S. Dollars	800.0	879.4	914.9	1,087.5
Other Government of Canada Accounts	61.0	30.2	29.0	22.1
Total Gold and U.S. Dollars	**1,939.1**	**1,869.2**	**1,829.2**	**2,055.8**

The exchange value of the Canadian dollar declined during 1961. The average noon rate for the United States dollar, in terms of the Canadian dollar, was 99.29 in January; it moved from a low of 98.66 for June to 103.50 at June 30, to 104.31 at the end of December, 1961 and was 104.97 at the end of February, 1962.

FINANCIAL DEVELOPMENTS

Credit Conditions

Monetary conditions in 1961 were relatively easy. Interest rates were appreciably below the peaks reached in the last upswing in the economy and the spread between interest rates in Canada and the United States narrowed. The spread between average long-term yields on United States and Canadian Government bonds was 1.40 per cent at the end of May 1961, 0.87 per cent at the end of October, and 0.84 per cent at the end of February, 1962. After following a fairly flat trend from January to May, security yields in Canada fell sharply in June and resumed a relatively stable trend from that point. The decline in interest rates in 1961 during the first year of the recovery is in contrast to an increase in interest rates in the corresponding phase of the 1958–59 upswing.

TABLE 33

COMPARISON OF YIELDS ON FEDERAL GOVERNMENT BONDS IN CANADA AND THE UNITED STATES

End of [1]	Medium Bonds[2]			Long Bonds[3]			91-day Treas. Bills		
	Canada	U.S.	Spread	Canada	U.S.	Spread	Canada	U.S.	Spread
1960									
March	5.17	4.22	.95	5.32	4.13	1.19	3.01	2.79	.22
June	4.50	4.03	.47	5.08	3.83	1.25	3.07	2.40	.67
September	4.09	3.55	.54	4.84	3.76	1.08	1.70	2.29	−.59
December	4.74	3.72	1.02	5.41	3.80	1.61	3.25	2.15	1.10
1961									
March	4.68	3.72	.96	5.18	3.80	1.38	3.21	2.39	.82
June	4.49	3.94	.55	4.99	3.97	1.02	2.57	2.22	.35
September	4.41	3.91	.50	5.02	4.03	.99	2.59	2.23	.36
December	4.17	4.10	.07	4.96	4.11	.85	2.99	2.59	.40
1962									
January	4.17	4.14	.03	4.98	4.14	.84	3.07	2.71	.36

[1] Last Wednesday of the month.
[2] Government of Canada 2½% bonds due June 15, 1967–68 and United States Government 2½% bonds due December 15, 1963–68.
[3] Government of Canada 3¼% bonds due January 15, 1975–78 and United States Government 3¼% bonds due June 15, 1978–83.

The demand for new funds rose in 1961. New money raised by Canadian borrowers in 1961 from the securities markets and chartered bank loans increased by some 25% above the level of 1960. The increase stemmed entirely from federal and provincial government financing since, for the year as a whole, municipal and non-governmental borrowing was slightly below the levels of 1960. However, after the first quarter of 1961, corporate and other private financing rose in response to the upswing in the economy.

TABLE 34

NET FUNDS RAISED BY CANADIAN BORROWERS

	1960		1961				
	4Q	Annual	Annual	1Q	2Q	3Q	4Q
	(Millions of dollars)						
Raised by:							
Government of Canada	678	669	1,110	145	2	238	725
Net New Issues of Securities							
Canada Savings Bonds	592	382	486	−32	−89	−75	682
Treasury Bills	20	−92	−100	−50	−50	0	0
Other Bonds	25	322	504	90	147	310	−44
Sub-total	*637*	*612*	*890*	*8*	*8*	*235*	*638*
Net Disinvestments (+) in Government Accounts	41	57	221	139	−6	3	86
Provincial Governments	114	566	849	177	114	333	225
Municipal Governments	74	305	283	147	14	8	114
Private Borrowers[1]	300	899	816	−125	492	203	247
Total	**1,166**	**2,439**	**3,058**	**344**	**622**	**782**	**1,310**
Raised from:							
Securities Markets	871	2,047	2,636	578	434	607	1,017
Bank Loans	295	392	422	−234	188	175	293

NOTE: Figures may not add due to rounding.

[1] Excludes chartered bank stock issues.

Despite the increasing demand for funds, and the resumption of economic expansion during the last three quarters of 1961, the trend of interest rates was downward for the better part of the year. As the following table indicates, this decline is in contrast to the increases in interest rates which occurred in 1958 during the first three quarters of the economic upswing which was also taking place at that time.

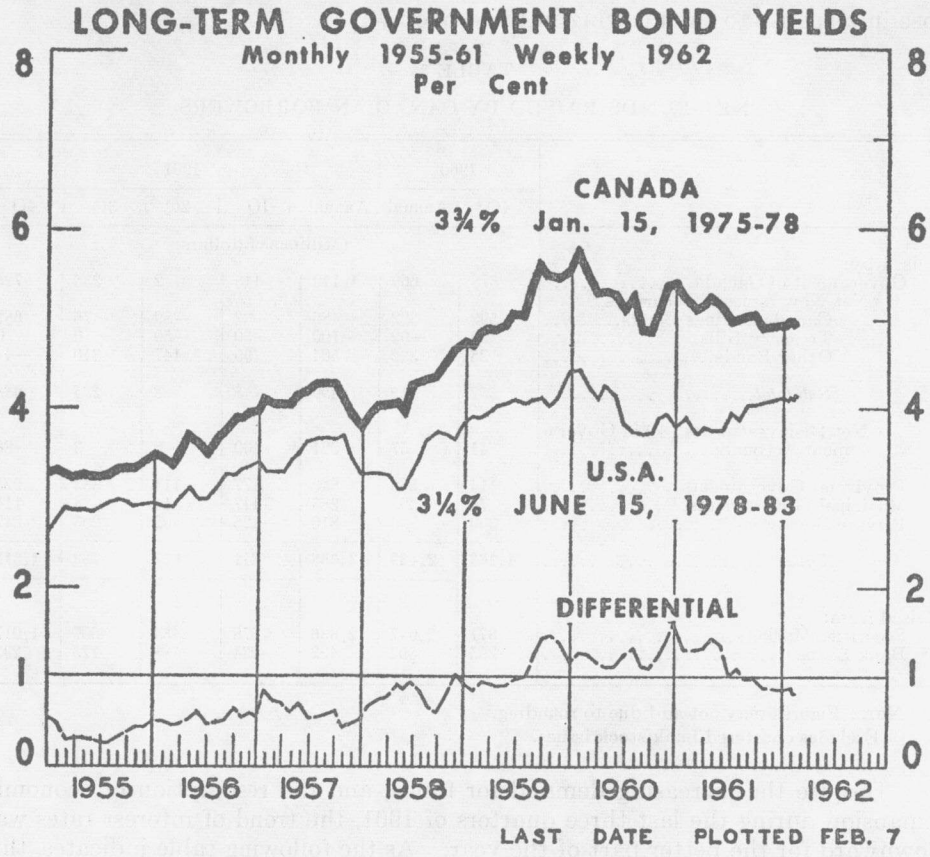
TABLE 35

CHANGES IN INTEREST RATES IN THE FIRST THREE QUARTERS OF UPSWING AFTER THE TROUGH IN ECONOMIC ACTIVITY IN 1958 AND 1961

At end of [1]	91-day Treas. Bills Avge. tender rate		Canada 2¾% due June 15, 1967–68		Canada 3¾% due Jan. 15, 1975–78	
	1958	1961	1958	1961	1958	1961
1Q	2.27	3.21	3.59	4.68	4.01	5.18
4Q	3.49	2.99	4.48	4.17	4.76	4.96
Change	+1.22	−.22	+.89	−.51	+.75	−.22

[1] Nearest Thursday to the end of the quarter for treasury bills, nearest Wednesday for Canada bonds.

Bank loans seasonally adjusted resumed their upward trend in the second half of 1960 and continued to increase during 1961. Most of the increase occurred in personal and business loans of less than $1 million. The rate of growth in these two categories accelerated after May. Farm loans continued to rise steadily in 1961.



Total assets of the banking system expanded by 9.8% during 1961, compared with 5.9% during the previous year, a slight decline in 1959, and a 10.8% climb during 1958. At the same time, the liquidity of the banking system also increased. The proportion of total bank assets held in the form of government securities, day-to-day loans, cash, and other liquid assets rose fairly steadily from 32% in September 1959 to 37% in early 1962. This is below the peak ratios in recent years of 43% in 1958 and 49% in 1955.

Although complete data are not yet available, total assets of some major non-banking financial institutions (instalment finance companies, credit unions, trust companies, mortgage loan companies) probably rose by a substantial percentage during 1961. Assets in these institutions have been growing at an annual rate of 10% and more in recent years.

The public's holdings of financial assets rose in 1961 and a greater share of the increased holdings was in liquid forms. During 1961 currency and deposits in the hands of the public rose 8.7%.

TABLE 36

NET CHANGE IN HOLDINGS OF CERTAIN FINANCIAL ASSETS BY THE GENERAL PUBLIC

	1960		1961				
	4Q	Annual	Annual	1Q	2Q	3Q	4Q
	(Millions of dollars)						
Money and Other Liquid Assets							
Currency and Bank Deposits							
Corporate Notice Deposits	10	18	353	168	112	93	−20
Currency and Other Deposits	72	597	818	−22	199	345	296
Sub-total	*82*	*615*	*1,171*	*146*	*311*	*438*	*276*
Treasury Bills	61	−206	−144	−45	−46	−126	72
Other Gov't of Can. Issues 2 yrs. and under	100	−463	356	108	282	−1	−33
Canada Savings Bonds	592	382	486	−32	−89	−75	682
Finance Companies Short Paper	1	10	−67	53	−9	−84	−27
Total	**836**	**338**	**1,802**	**230**	**449**	**152**	**970**
Less Liquid Assets							
Government of Canada Bonds over 2 yrs	−139	642	−455	−56	−268	−5	−125
Provincial Bonds	17	499	903	241	138	349	176
Municipal Bonds	68	315	229	50	65	9	106
Corporate and Other Bonds	−19	343	285	13	166	86	20
Corporate Stocks	34	235	181	65	156	16	−56
Total	**−39**	**2,034**	**1,143**	**313**	**257**	**455**	**121**
Grand Total	**797**	**2,372**	**2,945**	**543**	**706**	**607**	**1,091**

NOTE: Figures may not add due to rounding.

TABLE 37

NET NEW ISSUES OF SECURITIES (INCLUDING NET DISINVESTMENT OF GOVERNMENT ACCOUNTS)—CANADIAN CURRENCY

	1960	1961				
		Annual	1Q	2Q	3Q	4Q
		(Millions of dollars)				
Market Issues—						
Government of Canada (Direct and Guaranteed):						
Net Disinvestment (+) in Government Accounts	57	165	88	−6	3	81
Treasury Bills	−92	−100	−50	−50	—	—
Other Market Issues	323	558	141	151	310	−44
Sub-total	*288*	*623*	*179*	*95*	*313*	*37*
Provincial Governments	459	924	233	156	355	180
Municipal Governments	234	265	62	44	15	143
Corporations and "Other"	311	205	17	113	38	38
Sub-total	*1,005*	*1,394*	*312*	*313*	*408*	*361*
Finance Co. Short Paper	10	−67	53	−9	−84	−27
Corporate Stocks	230	178	62	156	16	−56
Total Market Issues	**1,533**	**2,127**	**605**	**553**	**653**	**316**
Non-Market Issues—						
Canada Savings Bonds	382	486	−32	−89	−75	682
Grand Total	**1,915**	**2,613**	**573**	**464**	**578**	**998**

NOTE: Figures may not add due to rounding.

Among the more liquid assets, there was a sharp gain in corporate notice deposits at the banks. This appears to have been associated with the practice adopted by the banks at the beginning of 1961 of paying interest rates on these deposits higher than the comparable treasury bill yields. The public's holdings of Canada Savings Bonds were $4,075 million on February 28, 1962, $491 million higher than a year ago; by a wide margin the largest annual increase in the past decade. The general increase in the supply of liquid assets responded to an increase in the liquidity preference of the public.

Federal Debt Management

Policies concerning the management of the public debt by the federal government are influenced by a number of objectives and considerations including: the interest of the government in minimizing its costs of borrowing; the preferences of potential investors for particular types of securities; the desirability of maintaining levels of interest rates and liquidity appropriate to the general state of business activity. Another objective in debt management has been to narrow the spread in interest rates between Canadian and U.S. securities and lessen the incentive to obtain certain types of capital from abroad so as to lessen upward pressure on the exchange rate.

Following an announcement in the June Budget, the government has been reducing the so-called "overhang" of long-term Canada bonds in order to foster confidence in the capital market and to allow more room in the capital market for other long-term borrowers. The government has reduced this "overhang" in three ways. It has confined new bond issues to the "short end" of the market leaving the long-term financing market available to the provinces, municipalities and private business. It has converted the bond holdings of the Unemployment Insurance Fund totalling $237 million into non-marketable bonds redeemable on 30 days' notice. The federal government also established a Purchase Fund to assist in the orderly management of the public debt.

During 1961 the federal government continued the practice of advance refunding with the Bank of Canada. This means of reducing the weight of nearby maturities contributed to orderly debt management.

From late 1959 through 1960 the average term to maturity of Government of Canada and C.N.R. market securities remained almost unchanged at about 9½ years. It was shortened to 9 years by the end of June, 1961 and just under 8½ years by the end of the year.

Federal Government Financing

In calendar year 1961 the Government of Canada raised $1.1 billion from net new security issues in the capital market and from net sales of securities held by the Unemployment Insurance Commission and other Government accounts. This total exceeded the $0.7 billion raised from direct and guaranteed securities in 1960, approximated that raised in 1959 and was less than the $1.4 billion obtained in 1958.

Of the $1.1 billion in new funds in 1961, $674 million came from issues of marketable bonds. Retirement of treasury bills held outside government accounts exceeded new issues by about $50 million. Net new issues of Canada Savings Bonds in the fourth quarter and for the year as a whole (at $486 million), were about $100 million higher than in the previous year.

Provincial and Municipal Financing

Net new funds raised by provincial governments from security issues and chartered bank loans, which had been between $500 million and $600 million annually since 1956, exceeded $800 million last year. However $205 million represented issues of guaranteed bonds by one of the provinces to finance the expropriation of a privately-owned utility company.

Since 1956 net new municipal financing has ranged between $270 million and $350 million annually. In 1961 it fell to $283 million as compared with $305 million in 1960.

In the fourth quarter of 1961 net new provincial and municipal financing was at its heaviest for that quarter since 1957.

Non-Farm Business Financing

The rapid upswing since early 1961 in industrial production, employment and corporate profits was accompanied in the third quarter by higher outlays on plant and equipment and in the fourth quarter by a significant rise in non-farm business inventories. As economic activity expanded, the funds obtained by non-farm business from the security markets, banks, retained corporate earnings, and other sources began to exceed those raised in the corresponding quarters of 1960, despite the drop in net direct foreign investment in Canada.

Corporate earnings retained after payment of taxes and dividends, which had declined in the preceding year and a half, turned above the levels of the previous year in the second quarter of 1961. Depreciation allowances moved slightly above year-earlier levels in the third quarter.

Corporate bond and stock issues, net of retirements, totalled $460 million in 1961 compared to $523 million in 1960. Bank loans to non-farm business moved above the levels of a year earlier in the second and third quarters of 1961 and for the year as a whole to $303 million compared to $137 million in 1960.

Net new corporate financing from securities issues and bank loans moved above the level of a year earlier in the second and third quarters. During 1961, as has been the case for several years now, the high level of common stock prices, in relation to earnings and dividends, continued to make financing through the sale of stock attractive to corporations. The net retirement of corporate stocks in the last half of 1961 reflects the distribution of $86 million to the shareholders of a utility taken over by a provincial government and the exchange of $104 million of preferred stock for bonds guaranteed by that province.

Housing Finance

Total expenditures on new housing declined from $1,825 million in 1958 to $1,472 million in 1960 and were $1,485 million in 1961.

In late 1960 the government amended the terms under which it would guarantee N.H.A. housing loans by financial institutions. Amongst other things the amendments provided for higher mortgage loans and lower down payments. The supply of mortgage funds in the hands of lending institutions appeared to be quite substantial at that time.

In 1961 the mortgage loans made under N.H.A.–guarantee by financial institutions rose to $388 million as compared with $177 million in 1960, the highest amount since 1958. This type of housing finance came almost completely from life insurance companies and trust and loan companies. The proportion of all housing funds supplied by N.H.A.–approved lending institutions rose from 12% in 1960 to 26% in 1961.

TABLE 38

EXPENDITURES ON NEW HOUSING BY SOURCE OF FUNDS

—	1958	1959	1960	1961
	(Millions of dollars)			
Public funds				
CMHC limited-dividend loan	30	45	27	27
Other CMHC loans	304	264	245	248
Other Public funds	50	40	36	25
Sub-total	*384*	*349*	*308*	*300*
Institutional funds—NHA				
Chartered banks	259	235	42	1
Life Insurance Companies	129	137	112	227
Loan and Trust Companies, etc	35	28	23	160
Sub-total	*423*	*400*	*177*	*388*
Institutional funds—Conventional				
Life Insurance Companies	159	228	201	171
Loan and Trust Companies, etc	102	97	93	79
Sub-total	*261*	*325*	*294*	*250*
Equities of owners in addition to the above Mortgages and other funds[1]	758	720	692	547
Total[2]	**1,825**	**1,794**	**1,472**	**1,485**

NOTE: Figures may not add due to rounding.

(1) These include equities of owners or builders on dwellings being financed with mortgages from public funds or from institutional lenders. Also includes equities on dwellings financed with mortgage loans from non-institutional lenders or by loans other than mortgages, or equities on dwellings fully financed by their owners.

(2) Differs slightly from public and private expenditures on housing in Table 13, which includes major alterations to buildings but not the cost of land. Table 38 includes the cost of land but not major alterations to buildings.

Conventional mortgage loans by lending institutions declined from $294 million in 1960 to $250 million in 1961. Financing in the form of equity and other non-mortgage payments by home owners fell from $692 million in 1960 to $547 million in 1961. This decline reflected the 8% decline in housing completions and the lower down payments permitted under the National Housing Act.

New housing financed directly by C.M.H.C. and other public funds fell from $384 million in 1958 to $308 million in 1960 and to $300 million in 1961, and from a 21% share of all new housing finance in 1958 to one of 20% in 1961. In June, 1961 Central Mortgage and Housing Corporation inaugurated a series of auctions of insured mortgages from its portfolio to promote a secondary market in mortgages. Sale from three auctions in 1961 totalled $41 million.

In line with the lower level of long-term interest rates the government reduced the interest rate on N.H.A. mortgages from 6¾% to 6½% in November, 1961.

CONSUMER CREDIT

The rate of growth in short-term consumer debt slowed somewhat further last year. Credit extended to consumers from finance companies, retail stores, and unsecured personal loans from banks, increased by about 6% or $185 million compared to $270 million or 9% in 1960 and $341 million or 14% in 1959.

TABLE 39

NET CHANGE IN CONSUMER CREDIT AND OTHER LOANS TO INDIVIDUALS

—	1958	1959	1960	1961
CONSUMER CREDIT	(Millions of dollars)			
Chartered bank unsecured personal loans[1]	133	166	138	173
Instalment finance companies	−12	38	22	−68
Small loan companies	39	83	65	34
Department stores	20	32	50	33
Other retail dealers	15	22	−5	13
Total	**195**	**341**	**270**	**185**
OTHER LOANS				
Chartered bank secured personal loans	30	−5	4	50
Chartered bank government-guaranteed home improvement loans	10	2	−4	10
Life insurance Co. policy loans	10	18	21	16
Quebec savings banks	−1	1	1	3
Credit unions	62	77	28	n.a.

[1] Excludes personal loans fully secured by marketable bonds and stocks and home improvement loans. n.a., not available.

The bulk of the increase in consumer credit continued to be in unsecured personal loans from banks which rose $173 million in 1961 compared to $138 million in 1960. Consumer credit extended by retail stores rose $46 million in 1961 compared to $45 million in 1960 and that provided by instalment finance and small loan companies fell $34 million in 1961 compared to a rise of $87 million in 1960.

PART II

REVIEW OF GOVERNMENT ACCOUNTS 1961-1962

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PART II

REVIEW OF GOVERNMENT ACCOUNTS

1961–62

1. INTRODUCTION

The figures presented in this Part for the fiscal year ended March 31, 1962 are preliminary and subject to revision. The fiscal year of the government ended on March 31 but the books must remain open for several weeks after that date to record various adjusting entries and to take into account all payments up to and including April 30 made on account of expenditures originating in and properly chargeable to the fiscal year 1961–62. The figures used in this White Paper are based on eleven months actual and one month estimated. The final figures when they become available next July or August will vary to some extent from those given in the following pages.

2. HIGHLIGHTS OF GOVERNMENTAL FINANCIAL OPERATIONS DURING 1961–62

The following table summarizes the budgetary and non-budgetary transactions for the fiscal year and indicates how the budgetary and non-budgetary transactions, including changes in unmatured debt, affected the government's cash balances. More detailed explanations of these transactions are given in subsequent sections of this Part.

TABLE 1

(in millions of dollars)

Summary of Budgetary and Non-Budgetary Transactions and Changes in Cash Position	Fiscal year ended March 31			
	1962 (estimated)		1961	
Budgetary transactions—				
Revenues—				
Tax	5,157		5,016	
Non-tax	615		602	
	5,772		*5,618*	
Expenditures—				
Defence	−1,647		−1,538	
Non-defence	−4,916		−4,420	
	−6,563		*−5,958*	
Deficit (−)		**−791**		**−340**
Non-budgetary transactions—				
Receipts and credits (excluding unmatured debt transactions)—				
Repayment of temporary loans to old age security fund	17		11	
Repayments of other loans, investments and working capital advances	367		201	
Net government annuities account receipts	37		42	
Net insurance and pension accounts receipts	267		353	
Other non-budgetary receipts	116		92	
	804		*699*	
Disbursements and charges (excluding unmatured debt transactions)—				
Other loans, investments and working capital advances	−478		−484	
Other non-budgetary disbursements	−14		−169	
	−492		*−653*	
Net amount received from non-budgetary transactions		**312**		**46**
Overall cash requirements (−) to be financed by increase in debt or decrease in cash balances		**−479**		**−294**
Net increase in unmatured debt outstanding in the hands of the public		**880**		**223**
Net increase or decrease (−) in Receiver General bank balances		**401**		**−71**

Budgetary transactions

The revenues and expenditures as forecast in the budget speech of June 20, 1961 and the actual figures as now estimated are shown in the following table:

TABLE 2

(in millions of dollars)

Budgetary Transactions for Fiscal Year 1961-62	Budget forecast June 20, 1961	Actual (estimated)	Increase or decrease (−) compared with forecast of June 20, 1961	
			Amount	Per cent
Revenues	5,765.0	5,772.0	7.0	0.12
Expenditures	−6,415.0	−6,563.4	148.4	2.31
Surplus or deficit (−)	−650.0	−791.4	141.4	

Revenues

The revenues of the government for the fiscal year ended March 31, 1962 amounted to $5,772 million. This is $7 million or approximately one-tenth of one per cent more than the total of $5,765 million forecast in the budget speech of June 20, 1961, and approximately $154 million or about 3 per cent more than the total of $5,618 million collected in the fiscal year 1960–61.

Of the increase of $154 million over 1960–61 revenues, $141 million was due to tax revenues and $13 million to non-tax revenues. Personal income tax receipts accounted for most of the increase in tax revenues and were $89 million more than in the preceding year, reflecting the higher level of incomes during the year. Corporation income tax collections were $72 million less than the preceding year due to lower corporate profits in 1960.

The increase of $13 million in non-tax revenues was due to increases of $21 million in return on investments, $6 million in net post office revenue and a reduction of $14 million in other non-tax revenues.

Expenditures

Government expenditures at $6,563 million were $148 million or approximately 2.3 per cent more than forecast on June 20, 1961, and $605 million or 10 per cent more than total expenditures in 1960–61. Almost all of the increase of $148 million has been due to events that were not foreseen last June. An increase of approximately $40 million in defence expenditures has resulted from certain changes in policy made last August, and the abnormally low crop yields in the prairie provinces have produced an unexpected increase of about $40 million in statutory payments under the Prairie Farm Assistance Act and also resulted in the recent decision to make further payments of $42 million to western grain producers.

Expenditures for defence again constituted the largest item and amounted to $1,647 million or 25 per cent of total expenditures, compared with $1,538 million or 26 per cent in 1960–61.

Civil or non-defence expenditures were $4,916 million, an increase of $496 million over the corresponding total for the previous fiscal year. The main items were increases of $150 million in expenditures of the Department of National Health and Welfare (including increases of $95 million in the government's contribution under the Hospital Insurance and Diagnostic Services Act, $37 million in unemployment assistance and $15 million in family allowances), $80

million in expenditures of the Department of Transport (including $50 million in interim payments related to the recommendations of the Royal Commission on Railway Problems), $67 million in the expenditures of the Department of Labour (including increases of $46 million in payments to provinces authorized by the Technical and Vocational Training Assistance Act and $15 million under the municipal winter works incentive program), $52 million in expenditures of the Department of Finance (including $42 million for higher public debt charges) and $42 million in expenditures of the Department of Veterans Affairs (including increases of $27 million for pensions for disability or death and $16 million in war veterans allowances and other benefits).

More detailed explanations of budgetary revenues by source and expenditures by classification and department are given in Section 3 of this Part.

Deficit

On the basis of these figures the deficit for the fiscal year 1961–62 was $791 million compared with the deficit of $650 million as forecast on June 20, 1961, and the deficit of $340 million in 1960–61.

Non-budgetary transactions

A net amount of $312 million was available during the fiscal year from non-budgetary transactions (excluding unmatured debt transactions). Non-budgetary disbursements and charges totalled $492 million and receipts and credits, $804 million. Sums totalling $478 million were required for loans, investments and working capital advances, and $14 million for other non-budgetary purposes. On the other hand, of the total of $804 million available from various non-budgetary receipts and credits, $384 million was available from the repayment of loans, investments and working capital advances, $304 million from the net receipts from various government annuity, insurance and pension accounts, and $116 million from other non-budgetary sources.

Old age security fund

During 1961–62 pension payments from the old age security fund were $625 million compared with $592 million in the previous fiscal year. Accounting for approximately $20 million of the increase was the increased rate of payment (from $55 to $65 per month) effective February 1, 1962. Tax receipts credited to the fund were $649 million for the year. The excess of $24 million in receipts over payments was applied to repay the temporary loans made by the Minister of Finance to the fund. These loans amounted to $17 million at March 31, 1961. The fund reflected a credit balance of $7 million as at March 31, 1962.

The transactions in the account during 1961–62 compared with those for the previous fiscal year are as follows:

	Fiscal year ended March 31	
	1962 (estimated)	1961
	(in millions of dollars)	
Pension payments	625	592
Tax receipts	649	603
Excess of receipts over payments applied in part to the repayment of temporary loans from the Minister of Finance	24	11
Temporary loans outstanding at fiscal year-end		17
Balance in fund at fiscal year-end	7	

Debt transactions

During 1961–62 the government issued securities amounting to $3,451 million (excluding the refunding of treasury bills which mature weekly) and redeemed or converted issues in the amount of $2,594 million, resulting in an increase of $857 million in unmatured debt. However, as other liabilities increased by $407 million the government's gross public debt increased by $1,264 million to $22,867 million at March 31, 1962. During the same period the government's net assets increased by $473 million to $9,638 million. As a result, the government's net debt was $13,229 million at March 31, 1962, the increase of $791 million being equivalent to the budgetary deficit for the fiscal year.

Cash position

Receiver General balances were $401 million more at March 31, 1962, than they were at March 31, 1961. This is the amount by which the increase of $880 million in unmatured debt outstanding in the hands of the public, plus the net amount of $312 million available from non-budgetary transactions, exceeded the budgetary deficit of $791 million.

3. THE BUDGETARY ACCOUNTS

Total revenues were $5,772 million for 1961-62, $154 million more than the total for the previous year. Total expenditures were $6,563 million, an increase of $605 million over the total for 1960–61. The deficit for the fiscal year 1961–62 was $791 million compared with $340 million for the previous year.

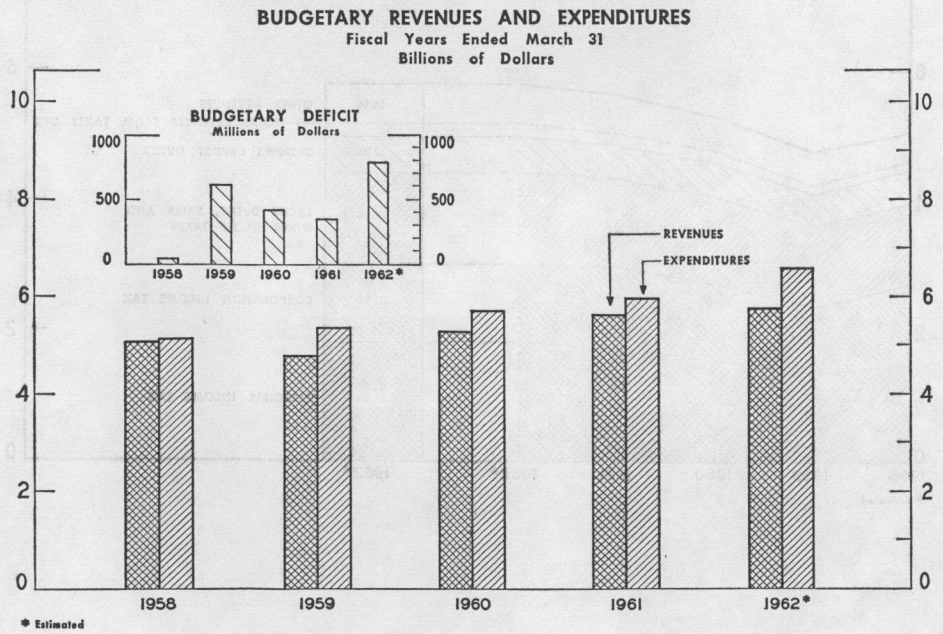


TABLE 3

BUDGETARY REVENUES, EXPENDITURES AND DEFICIT

(in millions of dollars)

Fiscal year ended March 31	Budgetary revenues	Budgetary expenditures	Deficit (−)
1958	5,048.8	5,087.4	−38.6
1959	4,754.7	5,364.0	−609.3
1960	5,289.8	5,702.9	−413.1
1961	5,617.7	5,958.1	−340.4
1962 (estimated)	5,772.0	6,563.4	−791.4

A. REVENUES

Budgetary revenues totalled $5,772 million in 1961–62 compared with $5,618 million in 1960–61, an increase of $154 million or 3 per cent. Tax revenues of $5,157 million accounted for 89 per cent of the total for the current fiscal year and non-tax revenues of $615 million accounted for 11 per cent.

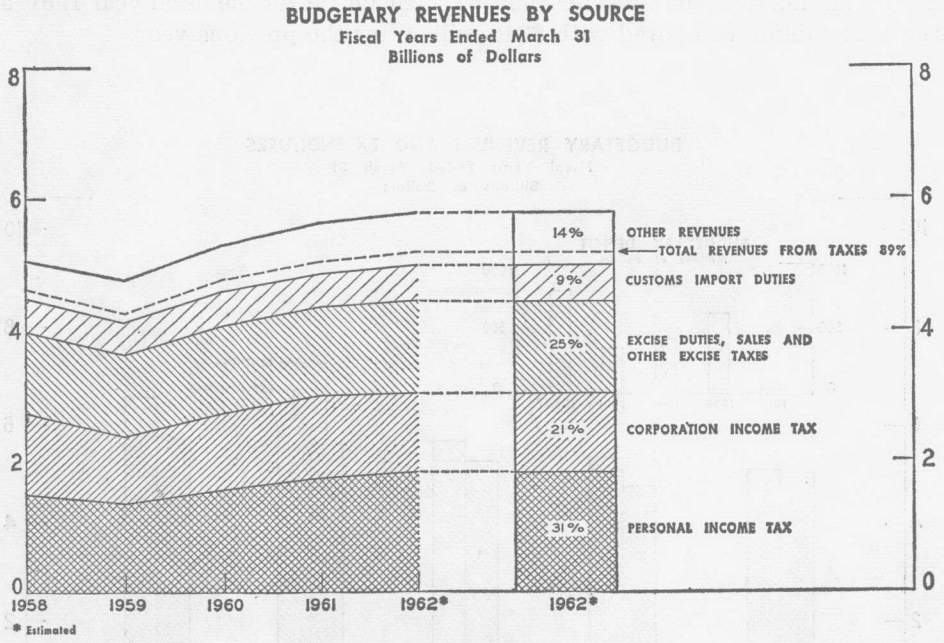


TABLE 4

BUDGETARY REVENUES BY MAJOR SOURCES

(in millions of dollars)

SOURCE	Fiscal year ended March 31				Increase or decrease (−)	
	1962 (estimated)		1961			
	Amount	Per cent	Amount	Per cent	Amount	Per cent
Tax revenues—						
Income tax—						
Personal[1]	1,800.0	31.2	1,711.2	30.5	88.8	5.2
Corporation[1]	1,205.0	20.8	1,276.6	22.7	−71.6	−5.6
On dividends, interest, etc., going abroad	115.0	2.0	88.2	1.6	26.8	30.4
Excise taxes—						
Sales[1]	774.0	13.4	720.6	12.8	53.4	7.4
Other	276.0	4.8	290.7	5.2	−14.7	−5.1
Customs import duties	539.0	9.3	498.7	8.9	40.3	8.1
Excise duties	363.0	6.3	344.9	6.1	18.1	5.2
Estate tax[2]	85.0	1.5	84.9	1.5	0.1	0.1
Other taxes	[3]		[3]		[3]	
	5,157.0	*89.3*	*5,015.8*	*89.3*	*141.2*	*2.8*
Non-tax revenues—						
Return on investments	305.0	5.3	283.8	5.0	21.2	7.5
Post office revenue	180.0	3.1	173.6	3.1	6.4	3.7
Other non-tax revenues	130.0	2.3	144.5	2.6	−14.5	−10.7
	615.0	*10.7*	*601.9*	*10.7*	*13.1*	*2.2*
Total budgetary revenues...	5,772.0	100.0	5,617.7	100.0	154.3	2.7

	1961–62 (estimated)	1960–61
[1] Excluding tax credited to the old age security fund—		
Personal income tax	259.0	229.4
Corporation income tax	100.0	103.5
Sales tax	290.0	270.2
	649.0	603.1

[2] Includes duties levied under the Dominion Succession Duty Act.
[3] Less than $50,000.

(1) TAX REVENUES

Tax on personal incomes

In 1961–62 the largest source of government revenue was again the personal income tax. The yield (excluding the old age security tax) was $1,800 million or 31 per cent of all budgetary revenue. The increase of $89 million or 5 per cent over 1960–61 collections was due principally to the higher level of personal incomes during the fiscal year.

The tax on personal incomes levied under the Old Age Security Act in the amount of $259 million was credited to the old age security fund.

Corporation income tax

The corporation income tax (excluding the old age security tax) was $1,205 million or 21 per cent of government revenue for 1961–62 and was the second largest source of revenue. Collections under this category were approximately $72 million or 6 per cent less than the comparable total of $1,277 million for 1960–61. This decrease was due mainly to lower corporate profits for the calendar year 1960 which in turn were reflected by lower corporation income tax collections during 1961–62.

In addition the tax on incomes of corporations levied under the Old Age Security Act in the amount of $100 million was credited to the old age security fund.

Taxes on dividends, interest, etc., going abroad

Revenue included in this category is derived from taxes withheld on payments of dividends, interest, rents, royalties, alimony and income from estates and trusts made to non-residents. Collections in 1961–62 were $115 million, an increase of $27 million over the comparable total for 1960–61. This reflects the removal of exemptions and the increased rate on certain interest and dividend payments, to non-residents, introduced in December 1960.

Excise taxes

Included under this heading are the revenues from the general sales tax and other special excise taxes.

From a revenue standpoint the most important tax levied under the Excise Tax Act is the sales tax. Receipts from this tax (excluding the old age security tax) were $774 million, $53 million or 7 per cent higher than in the previous fiscal year.

The tax on sales, levied under the Old Age Security Act, in the amount of $290 million was credited to the old age security fund.

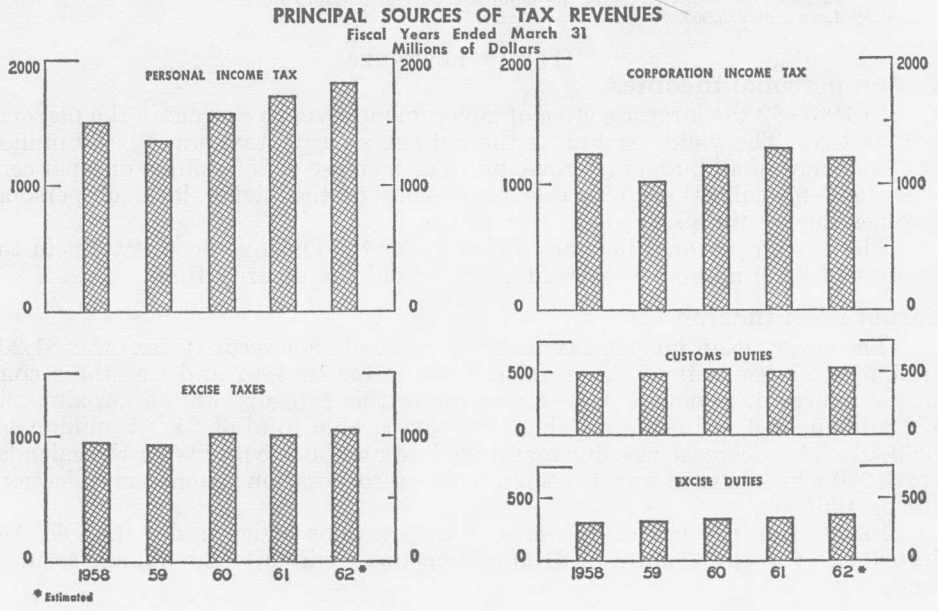
Excise taxes levied under the Excise Tax Act, other than the general sales tax, were $276 million, a decrease of $15 million from the 1960–61 total of $291 million. Receipts from the excise tax levied on the sale of automobiles were $34 million less than corresponding receipts for 1960–61 due to the repeal of such tax effective June 21, 1961.

Customs import duties

Customs import duties totalled $539 million for 1961–62, an increase of $40 million over the comparable figure for 1960–61.

Excise duties

Excise duties are levied on alcoholic beverages and tobacco products. (Additional taxes on tobacco products are levied under the Excise Tax Act referred to above.) Gross receipts in 1961-62 from taxes on alcoholic beverages were $209 million and from taxes on tobacco products were $158 million, compared with $200 million and $150 million respectively in 1960–61.



Estate tax

Revenue from this source amounted to $85 million in 1961–62, approximately the same as the total for the previous fiscal year.

Other taxes

Revenue under this heading was less than $50 thousand in 1961–62, approximately the same as for 1960–61.

(2) NON-TAX REVENUES

Non-tax revenues totalled $615 million in 1961–62, an increase of $13 million or 2 per cent over the 1960–61 total of $602 million.

TABLE 5

(in millions of dollars)

NON-TAX REVENUES	Fiscal year ended March 31		Increase or decrease (−)	
	1962 (estimated)	1961	Amount	Per cent
Return on investments	305.0	283.8	21.2	7.5
Post office revenue	180.0	173.6	6.4	3.7
Refunds of previous years' expenditure	26.8	40.5	−13.7	−33.8
Services and service fees	42.4	40.4	2.0	5.0
Proceeds from sales	23.4	24.0	−0.6	−2.5
Privileges, licences and permits	23.4	22.4	1.0	4.5
Bullion and coinage	7.0	8.5	−1.5	−17.6
Premium, discount and exchange	0.5	0.9	−0.4	−44.4
Other	6.5	7.8	−1.3	−16.7
	615.0	601.9	13.1	2.2

Return on investments

Receipts in this category amounted to $305 million for the fiscal year 1961–62 compared with the 1960–61 total of $284 million.

Payments from Crown corporations amounted to $206 million in 1961–62, an increase of $12 million over the previous year's total. The main increases of $18 million in Bank of Canada profits and $12 million in receipts from Central Mortgage and Housing Corporation were offset partly by a decrease of $4 million in returns from the Canadian National Railways and by the fact that there was no comparable receipt in the current fiscal year to the $13 million received from The St. Lawrence Seaway Authority in 1960–61.

It should also be noted that in accordance with Order-in-Council P.C. 1961–1863 dated December 29, 1961, interest of $14 million payable on December 31, 1961 by The St. Lawrence Seaway Authority, as well as interest payable on December 31, 1962 has been deferred until December 31, 1963. On December 31, 1963 the total amount of interest so deferred together with the interest payable on December 31, 1963, will be computed as a single sum and is to be repaid in equal annual instalments calculated by amortizing the said sum, including interest at rates determined by the Minister of Finance, over a period of forty-six years.

Other loans and investments yielded $99 million compared with $89 million in 1960–61. Receipts of $8 million from the purchase fund which was established during 1961-62 to assist in the management of the public debt in accordance with the announcement by the Minister of Finance in the budget speech of

June 20, 1961, together with increases of $3 million in receipts from the securities investment account, $3 million in interest received from the Unemployment Insurance Commission and $1 million in interest on loans to national governments were offset partly by decreases of $3 million in interest on Receiver General deposits with the chartered banks and $2 million in the yield from the sinking fund held for retirement of unmatured debt.

TABLE 6

(in millions of dollars)

Return on Investments	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Loans to, and investments in, Crown corporations—			
Bank of Canada—profits	107.7	90.2	17.5
Canadian National Railways	1.4	5.0	−3.6
Canadian National (West Indies) Steamships Limited	1.2	2.9	−1.7
Canadian Overseas Telecommunication Corporation	1.3	1.2	0.1
Central Mortgage and Housing Corporation	71.2	59.6	11.6
Eldorado Mining and Refining Limited	5.0	4.9	0.1
Farm Credit Corporation	6.0	4.1	1.9
National Capital Commission	0.7	1.1	−0.4
National Harbours Board	3.9	3.9	
Northern Canada Power Commission	0.5	1.1	−0.6
Northern Ontario Pipe Line Crown Corporation	4.3	4.3	
Polymer Corporation Limited	3.0	3.0	
The St. Lawrence Seaway Authority		13.1	−13.1
Miscellaneous	0.2	0.2	
	206.4	*194.6*	*11.8*
Other loans and investments—			
United Kingdom	21.8	22.2	−0.4
Other national governments	9.0	8.1	0.9
Provincial governments	1.6	1.9	−0.3
Soldier and general land settlement loans and veterans land act advances	4.9	5.3	−0.4
Exchange fund account	32.6	32.5	0.1
Purchase fund account	7.6		7.6
Securities investment account	8.2	5.1	3.1
Sinking fund held for retirement of unmatured debt	1.0	2.7	−1.7
Interest-bearing deposits with chartered banks	3.6	6.6	−3.0
Unemployment Insurance Commission	2.9	0.4	2.5
Miscellaneous	5.4	4.4	1.0
	98.6	*89.2*	*9.4*
	305.0	283.8	21.2

Post office revenue

In 1961–62 gross post office receipts totalled $210 million but authorized disbursements from revenue for salaries and rent allowances at semi-staff and revenue offices, commissions at sub-offices, transit charges on Canadian mail forwarded through or delivered in foreign countries, etc., in the amount of $30 million, brought net revenue to $180 million. In 1960–61 gross receipts were $202 million, authorized disbursements were $28 million and net revenue was $174 million.

As costs of operating the Post Office Department during 1961–62 (excluding the $30 million charged to revenue) were $189 million, net expenditure exceeded net revenue by $9 million. However, in making this comparison, it is to be noted that the total shown for post office revenue does not reflect any payment for the franking privilege covering parliamentary and departmental mail or for certain miscellaneous services provided for other government departments and agencies, nor does the total shown for operating expenses reflect any charges for premises occupied by the Post Office Department or for certain accounting and miscellaneous services provided by other departments.

TABLE 7

(in millions of dollars)

Post Office Revenue	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Postage	196.9	189.6	7.3
Commission on money orders	7.8	7.7	0.1
Rental of post office boxes	2.0	1.9	0.1
Transit credits on foreign correspondence	1.4	1.3	0.1
Other	1.8	1.4	0.4
	209.9	*201.9*	*8.0*
Less—			
Salaries and allowances at semi-staff and revenue offices	−25.6	−24.0	−1.6
Transit charges on foreign correspondence	−1.7	−1.2	−0.5
Other	−2.6	−3.1	0.5
	−29.9	*−28.3*	*−1.6*
	180.0	173.6	6.4

Refunds of previous years' expenditures

Refunds in 1961–62 of expenditures made in prior years totalled $27 million, a decrease of $14 million from the comparable total for 1960–61. Included in this category is an amount of $12 million received by the Department of National Defence, consisting of refunds of $3 million from the United States Government, $1 million in respect of advances to Canadian Vickers Limited, $1 million from the defence production revolving fund and $7 million from miscellaneous sources. In addition, the unexpended balance of parliamentary grants as at March 31, 1961, amounting to $3 million was refunded by the Canadian Broadcasting Corporation.

Services and service fees

Collections in 1961–62 for services and service fees amounted to $42 million, an increase of $2 million over the total for 1960–61.

Revenue in this category includes: $12 million received by the Royal Canadian Mounted Police, mainly for police services to certain provinces and municipalities; $14 million received by the Department of Transport of which $7 million was in respect of aircraft landing fees and $3 million from marine steamers' earnings; $7 million by the Department of Agriculture including $5 million for services in connection with the inspection, weighing, storage and elevation of grain, and $1 million in respect of race track supervision; and $4 million by the Department of National Health and Welfare due mainly to reimbursement by the provinces for treatment of Indians in federal government hospitals.

Proceeds from sales

Receipts from this source totalled $23 million compared with $24 million in 1960–61.

Included in this category are: $9 million by the Department of Defence Production of which $8 million represents amounts from the sale of surplus Crown assets (after deducting certain agency fees and transfers) and $1 million under agreements of sale of Crown assets; $5 million by the Department of Public Works representing the proceeds of the sales of properties by Central Mortgage and Housing Corporation; and $4 million by the Department of National Defence of which $2 million is in respect of the sales of stores to the United Nations.

Privileges, licences and permits

Revenue of $23 million for the fiscal year 1961–62 on account of privileges, licences and permits was $1 million more than was received in 1960–61.

Included in this revenue are amounts of $9 million received from the Department of Transport representing rentals, concessions and radio licence fees and $4 million from the Department of Northern Affairs and National Resources including $1 million in respect of bonuses, exploratory permits, fees, leases and royalties from oil and gas.

Bullion and coinage

Revenues in this category were derived from the operations of the Royal Canadian Mint and consist mainly of $7 million from a net gain on coinage. Small amounts were also obtained from gold refining charges, handling charges and gain on gold refining.

Premium, discount and exchange

In the current fiscal year premium, discount and exchange transactions resulted in a net credit of $1 million, approximately the same as for 1960–61.

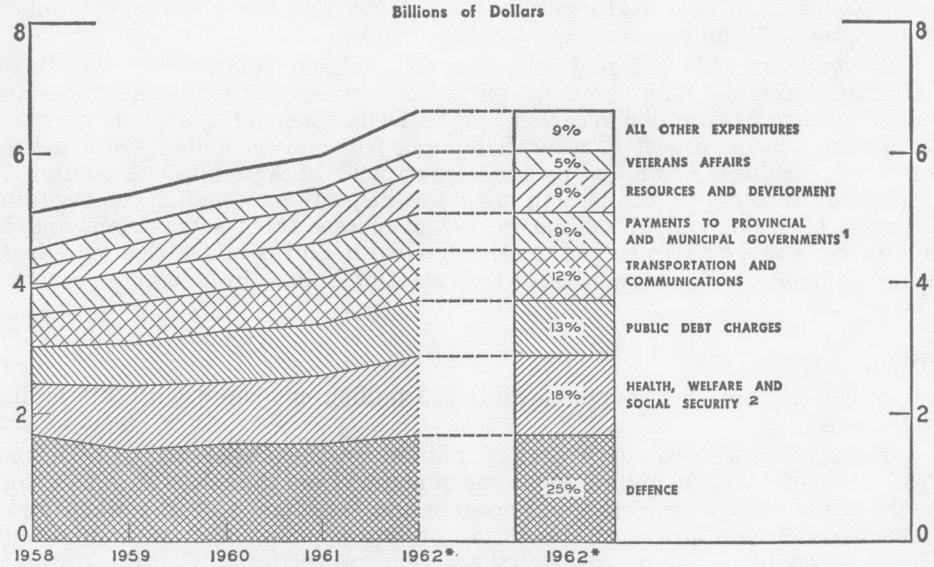
Other non-tax revenues

Revenues, other than tax revenues, not dealt with in preceding sections totalled $7 million for 1961–62, a decrease of $1 million from the 1960–61 total.

B. Expenditures

Budgetary expenditures for 1961–62 amounted to $6,563 million, an increase of $605 million over the 1960–61 total of $5,958 million.

BUDGETARY EXPENDITURES, CLASSIFIED BY FUNCTION
Fiscal Years Ended March 31
Billions of Dollars



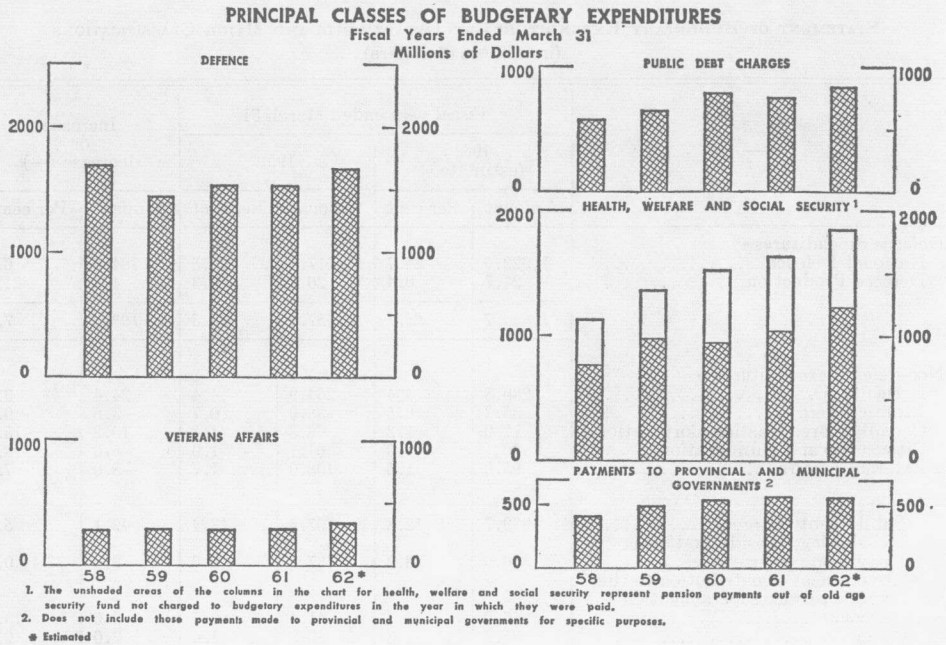
1. Does not include those payments made to provincial and municipal governments for specified purposes.
2. Does not include pension payments out of the old age security fund not charged to budgetary expenditures in the year in which they were paid.

* Estimated

TABLE 8

STATEMENT OF BUDGETARY EXPENDITURES BY DEPARTMENTS AND MAJOR CLASSIFICATIONS
(in millions of dollars)

—	Fiscal year ended March 31				Increase or decrease (—)	
	1962 (estimated)		1961			
	Amount	Per cent	Amount	Per cent	Amount	Per cent
Defence expenditures—						
National Defence	1,622.0	24.7	1,517.5	25.5	104.5	6.9
Defence Production	24.7	0.4	20.4	0.3	4.3	21.1
	1,646.7	*25.1*	*1,537.9*	*25.8*	*108.8*	*7.1*
Non-defence expenditures—						
Agriculture	289.3	4.4	264.9	4.4	24.4	9.2
Atomic Energy	35.3	0.5	38.9	0.7	−3.6	−9.3
Canadian Broadcasting Corporation	77.0	1.2	66.8	1.1	10.2	15.3
Citizenship and Immigration	66.1	1.0	61.1	1.0	5.0	8.2
External Affairs	95.0	1.5	103.0	1.7	−8.0	−7.8
Finance—						
Public debt charges	839.7	12.8	797.6	13.4	42.1	5.3
Tax-sharing, subsidy and other payments to provinces	540.6	8.2	537.8	9.0	2.8	0.5
Government's contribution to the public service superannuation account	46.9	0.7	41.4	0.7	5.5	13.3
Other	85.2	1.3	83.2	1.4	2.0	2.4
	1,512.4	*23.0*	*1,460.0*	*24.5*	*52.4*	*3.6*
Fisheries	24.3	0.4	19.2	0.3	5.1	26.6
Forestry	15.1	0.2	10.1	0.2	5.0	49.5
Justice	9.7	0.1	8.6	0.2	1.1	12.8
Office of the Commissioner of Penitentiaries	25.0	0.4	19.1	0.3	5.9	30.9
	34.7	*0.5*	*27.7*	*0.5*	*7.0*	*25.3*
Labour	85.4	1.3	24.1	0.4	61.3	254.4
Unemployment Insurance Act administration and government's contribution	102.7	1.6	97.2	1.6	5.5	5.7
	188.1	*2.9*	*121.3*	*2.0*	*66.8*	*55.1*
Mines and Technical Surveys	69.3	1.1	59.1	1.0	10.2	17.3
National Health and Welfare—						
Family allowances	520.9	7.9	506.2	8.5	14.7	2.9
Government's contributions under the Hospital Insurance and Diagnostic Services Act	284.0	4.3	189.4	3.2	94.6	49.9
Other	232.5	3.6	191.6	3.2	40.9	21.3
	1,037.4	*15.8*	*887.2*	*14.9*	*150.2*	*16.9*
National Research Council, including the Medical Research Council	38.7	0.6	34.4	0.6	4.3	12.5
National Revenue	75.9	1.2	73.3	1.2	2.6	3.5
Northern Affairs and National Resources	86.5	1.3	74.3	1.2	12.2	16.4
Post Office	188.6	2.9	178.4	3.0	10.2	5.7
Public Works	193.4	2.9	200.9	3.4	−7.5	−3.7
Royal Canadian Mounted Police	61.1	0.9	56.0	0.9	5.1	9.1
Trade and Commerce	40.0	0.6	21.8	0.4	18.2	83.5
Transport	416.4	6.3	336.4	5.7	80.0	23.8
Veterans Affairs	334.1	5.1	292.3	4.9	41.8	14.3
Other Departments	38.0	0.6	33.1	0.6	4.9	14.8
	4,916.7	*74.9*	*4,420.2*	*74.2*	*496.5*	*11.2*
Total budgetary expenditures	6,563.4	100.0	5,958.1	100.0	605.3	10.2



(1) DEFENCE EXPENDITURES

Defence expenditures which consist of expenditures of the Departments of National Defence and Defence Production were again the largest category of government budgetary expenditures. The total of $1,647 million for 1961–62 was approximately 25 per cent of the aggregate budgetary expenditures of the government for the year and was $109 million more than the total of $1,538 million for 1960–61.

TABLE 9

(in millions of dollars)

Defence Expenditures	Fiscal year ended March 31		Increase or decrease (—)
	1962 (estimated)	1961	
Department of National Defence—			
Naval services	262.9	245.5	17.4
Army services	447.8	402.2	45.6
Air services	778.6	751.6	27.0
	1,489.3	*1,399.3*	*90.0*
Administration and general	23.6	21.2	2.4
Defence research and development	42.9	41.9	1.0
Government's contribution to the Canadian forces superannuation account	56.0	40.5	15.5
Mutual aid to NATO countries including contributions towards military costs of NATO	10.2	14.6	—4.4
	1,622.0	1,517.5	104.5
Department of Defence Production—			
Administration and general	17.9	15.7	2.2
Production capacity and capital assistance	2.3	1.8	0.5
Technological capability	4.5	2.9	1.6
	24.7	*20.4*	*4.3*
	1,646.	1,537.9	108.8

National Defence

Expenditures of the Department of National Defence were $1,622 million in 1961–62. In 1960–61 expenditures were $1,518 million.

Expenditures for naval, army and air services amounted to $1,489 million, $90 million more than the 1960–61 total. Of this increase, $17 million was attributable to naval services, $46 million to army services and $27 million to air services.

Direct charges to mutual aid amounted to $10 million during 1961–62 compared with $15 million in 1960–61 and consisted of procurement of equipment for mutual aid and Canada's share of NATO military budgets and infra-structure costs.

Expenditures for defence research and development were $43 million compared with $42 million in 1960–61.

The government's contribution to the Canadian forces superannuation account of an amount equal to $1\frac{2}{3}$ times the contributions by permanent services personnel was $56 million, an increase of $16 million over the total for the previous year. The increase resulted from a provision of the new act which became effective March 1, 1960 and which authorized the crediting to the superannuation account quarterly, in each fiscal year, such amount, in relation to the total amount paid into the said account during the preceding quarter by way of contributions in respect of current services and past services by contributors, as is specified by the Minister of Finance. The contribution for 1960–61 therefore, was based on a nine-month period from April 1, 1960 to December 31, 1960, inclusive, compared with the contribution for 1961–62 which was based on a twelve-month period from January 1, 1961 to December 31, 1961, inclusive.

Administration and general costs were $24 million in 1961–62, an increase of $2 million over the 1960–61 total.

Defence Production

The total expenditure of $25 million in 1961–62 for the Department of Defence Production was $4 million more than in 1960–61.

Outlays of $5 million in connection with the government program instituted in 1959–60 of supporting selected defence development programs in order to sustain technological capability in Canadian industry were $2 million more than in 1960–61. Expenditures of $2 million in respect of the procurement of capital assistance by Canadian Arsenals Limited and the programs under which assistance for the establishment of production capacity and capital assistance is given to private contractors, Crown plants operated on a management-fee basis and Crown corporations undertaking contracts essential to the defence program were approximately $1 million more than corresponding expenditures in the previous fiscal year.

Administration and general costs amounted to $18 million in 1961–62 compared with $16 million in 1960–61.

Cash outlays for defence

In addition to these budgetary expenditures for defence, there are certain other cash outlays which must be considered in assessing the full effect of the defence program on the economy of Canada.

Section 11 of the National Defence Act provides that materiel, not immediately required for the use of the Canadian defence forces or the Defence Research Board, may be sold to such countries and upon such terms as the Governor in

Council may determine. The proceeds of such sales in 1961–62 amounting to $3 million were credited to a special account to be used for the procurement of materiel. Cash outlays of $6 million from this account during 1961–62 resulted in a balance of $2 million at March 31, 1962.

The Department of Defence Production also makes cash disbursements for the procurement of materials for use in the manufacture of defence equipment which are not recorded as budgetary expenditures. For purposes of accounting and control, these amounts are charged to the defence production revolving fund and are treated as assets on the books of the government until they are billed to the Department of National Defence or sold to defence contractors for use in the manufacture of defence equipment. As a result of the transactions during 1961–62 purchases exceeded proceeds from sales by $18 million and the assets of the fund increased by an equivalent amount, leaving a balance of $33 million in the account at March 31, 1962.

The following table summarizes the cash outlays for defence for the past two fiscal years:

TABLE 10

(in millions of dollars)

Cash Outlays for Defence	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Budgetary expenditures—			
Department of Defence Production	24.7	20.4	4.3
Department of National Defence	1,622.0	1,517.5	104.5
	1,646.7	*1,537.9*	*108.8*
Disbursements for, or receipts from (−)—			
Defence production revolving fund (net)	17.5	−5.0	22.5
Replacement of materiel account—sec. 11, National Defence Act (net)	3.0	−1.0	4.0
	20.5	*−6.0*	*26.5*
Net cash outlay for defence	1,667.2	1,531.9	135.3

(2) NON-DEFENCE EXPENDITURES

Agriculture

Expenditures of the Department of Agriculture were $289 million for 1961–62 compared with $265 million for 1960–61.

Increases of $40 million in expenditures to cover the deficit in the prairie farm emergency fund and $6 million in outlays for rehabilitation and reclamation projects were offset partly by the decrease of $30 million in the net operating loss of the agricultural stabilization board.

The 1961–62 net operating loss of the agricultural stabilization board was $23 million compared with $53 million in 1960–61.

Advances of $49 million made by the Minister of Finance to the prairie farm emergency fund to cover the year's deficit have been charged to budgetary expenditures. The comparable amount in 1960–61 was $9 million.

TABLE 11
(in millions of dollars)

Agriculture	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Administration and general	5.2	4.4	0.8
Agricultural products board—net operating loss	4.9		4.9
Agricultural stabilization board—net operating loss	23.0	53.4	−30.4
Assistance re storage costs of grain	49.0	48.2	0.8
Board of Grain Commissioners (Canada Grain Act)	6.5	6.3	0.2
Prairie farm emergency fund—deficit	49.5	9.2	40.3
Production and marketing branch—			
Freight assistance on western feed grains	16.7	19.2	−2.5
Health of animals division	14.4	13.4	1.0
Payments to western grain producers	40.5	40.5	
Premium on hog and lamb carcasses	7.2	6.6	0.6
Other	19.6	17.3	2.3
	98.4	*97.0*	*1.4*
Rehabilitation and reclamation projects	26.6	20.2	6.4
Research branch	26.2	26.2	
	289.3	264.9	24.4

Atomic Energy

Expenditures of the Atomic Energy Control Board and payments to Atomic Energy of Canada Limited were $35 million compared with $39 million in 1960–61, a decrease of $4 million.

Administration expenses of the Atomic Energy Control Board and grants for research and investigations with respect to atomic energy totalled $1 million, approximately the same as for the previous fiscal year.

During the year under review approximately $34 million was paid to Atomic Energy of Canada Limited for its research program, $4 million less than in the previous fiscal year. Of the total, $26 million was for current operations and maintenance and $8 million for the construction or acquisition of buildings, works, land and equipment.

TABLE 12
(in millions of dollars)

Atomic Energy	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Atomic Energy Control Board—			
Administration	0.1	0.1	
Grants for research	0.7	0.6	0.1
	0.8	*0.7*	*0.1*
Atomic Energy of Canada Limited—			
Research program—			
Construction or acquisition of buildings, works, land and equipment	8.2	15.1	−6.9
Current operations and maintenance	26.3	23.1	3.2
	34.5	*38.2*	*−3.7*
	35.3	38.9	−3.6

Canadian Broadcasting Corporation

Payments of $77 million have been made by the government to the Canadian Broadcasting Corporation during 1961–62, an increase of $10 million over the total for 1960–61.

Grants for capital requirements including the replacement of existing capital assets of the radio and television services increased by $1 million during 1961–62, while grants in respect of the net operating requirements of the radio and television services were $9 million higher than in the previous fiscal year.

Outlays for the international shortwave broadcasting service were approximately the same as for 1960–61.

TABLE 13
(in millions of dollars)

Canadian Broadcasting Corporation	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Grants in respect of radio and television services—			
Capital requirements	6.4	5.6	0.8
Net operating requirements	68.9	59.3	9.6
	75.3	*64.9*	*10.4*
International shortwave broadcasting service	1.7	1.9	−0.2
	77.0	66.8	10.2

Citizenship and Immigration

Expenditures of the Department of Citizenship and Immigration were $66 million in 1961–62, an increase of $5 million over the total for 1960–61.

Outlays for the Indian affairs branch increased by $5 million during 1961–62 due principally to increases of $2 million in expenditures for Indian education, $1 million in outlays for Indian welfare, $1 million in costs of Indian agencies and $1 million in expenditures for economic development of Indians.

Expenditures of the immigration branch and the citizenship and citizenship registration branches were approximately the same as for the previous fiscal year.

TABLE 14
(in millions of dollars)

Citizenship and Immigration	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Administration and general	1.0	0.9	0.1
Citizenship and citizenship registration	1.6	1.5	0.1
Immigration	12.5	12.3	0.2
Indian affairs	51.0	46.4	4.6
	66.1	61.1	5.0

External Affairs

Expenditures of the Department of External Affairs totalled $95 million in 1961–62, a decrease of $8 million from the previous year's total.

The principal changes in expenditure as compared with 1960–61 were decreases of $7 million in contributions to international organizations and $4 million in assistance to other countries and increases of $2 million in costs of representation abroad and $1 million in expenditures for administration and general.

Contributions to international organizations decreased by $7 million during the year due mainly to the fact that 1960–61 expenditures included the following items for which there was no comparable expenditure in 1961–62: (a) $6 million for the purchase and transfer of wheat flour to assist in the establishment of strategic stock piles of food supplies in member states of NATO; (b) $2 million for the reimbursement of the agricultural commodities stabilization account for canned pork donated to international relief agencies; and (c) $2 million to reimburse the agricultural products board account for whole milk powder donated for international relief purposes.

TABLE 15
(in millions of dollars)

External Affairs	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Administration and general	8.9	8.1	0.8
Assistance to other countries	2.5	6.4	−3.9
Canada's assessment for membership in international (including commonwealth) organizations	5.4	4.7	0.7
Contributions to international organizations	15.1	22.2	−7.1
Grant to Colombo plan fund	50.0	50.0	
Representation abroad	13.1	11.6	1.5
	95.0	103.0	−8.0

Finance

Expenditures of the Department of Finance amounted to $1,512 million in 1961–62, an increase of $52 million over the corresponding total of $1,460 million in 1960–61.

The main changes were increases of $42 million in public debt charges, $5 million in the government's contribution to the public service superannuation account, $3 million in tax-sharing, subsidy and other payments to provinces, $2 million in administration expenses of the Comptroller of the Treasury, and $2 million in the government's share of medical-surgical insurance premiums and a decrease of $2 million in administration and general costs.

TABLE 16
(in millions of dollars)

Finance	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Administration and general	11.0	12.9	−1.9
Government's contribution as an employer to the unemployment insurance fund	1.0	1.0	
Government's contribution to the public service superannuation account	46.9	41.4	5.5
Government's share of medical-surgical insurance premiums	7.6	6.0	1.6
Grants to municipalities in lieu of taxes on federal property	24.7	24.5	0.2
Grants to universities—			
Payments to the Canadian Universities Foundation	19.4	19.0	0.4
Office of the Comptroller of the Treasury—administration expenses	21.5	19.8	1.7
Public debt charges	839.7	797.6	42.1
Tax-sharing, subsidy and other payments to provinces	540.6	537.8	2.8
	1,512.4	1,460.0	52.4

Government's contribution to the public service superannuation account

In 1961–62 the government's contribution to the public service superannuation account amounted to $47 million, an increase of $5 million over the comparable figure for 1960–61.

Public debt charges

In 1961–62 public debt charges were again the second largest item of budgetary expenditure. These charges, which consist of interest on public debt, the annual amortization of bond discounts and commissions, the cost of issuing new loans and other costs incurred in servicing the public debt, totalled $840 million in 1961–62 or 13 per cent of all budgetary expenditure, compared with $798 million or 13 per cent in 1960–61.

TABLE 17

(in millions of dollars)

Interest and Other Public Debt Charges	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Interest on public debt—			
Unmatured debt including treasury bills—			
Payable in Canada	639.2	607.2	32.0
Payable in London	1.0	1.4	−0.4
Payable in New York	2.7	4.0	−1.3
	642.9	*612.6*	*30.3*
Other liabilities—			
Annuity, insurance and pension accounts	157.7	141.0	16.7
Deposit and trust accounts	3.4	3.1	0.3
	161.1	*144.1*	*17.0*
Total interest on public debt	804.0	756.7	47.3
Other public debt charges—			
Annual amortization of bond discounts and commissions	33.6	38.9	−5.3
Cost of issuing new loans	1.3	1.3	
Servicing of public debt	0.8	0.7	0.1
	35.7	*40.9*	*−5.2*
	839.7	797.6	42.1

Interest on public debt in 1961–62 amounted to $804 million, an increase of $47 million over the 1960–61 total of $757 million. Interest of $643 million on unmatured debt was $30 million higher than in 1960–61 reflecting the increase in unmatured debt; interest of $161 million on other liabilities was $17 million higher due to the increase of $17 million in interest on annuity, insurance and pension accounts, including increases of $10 million in respect of the public service superannuation account and $5 million in respect of the Canadian forces superannuation account.

Other public debt charges amounted to $36 million compared with $41 million in 1960–61. The decrease of $5 million was due to a reduction in the cost of annual amortization of bond discounts and commissions.

When considering the magnitude of these public debt charges and the burden they place upon the public treasury, it must be borne in mind that a substantial portion of the debt is attributable to, or is invested in, productive or earning assets. Therefore, in calculating the *net* burden of the government's annual interest charges, the income derived from loans, investments and other productive assets must be taken into account. For 1961–62 this income totalled $305 million as shown in the non-tax revenue section under the heading "Return

on investments". This amount deducted from the gross total of $804 million for interest as shown in the above table leaves a net amount of $499 million compared with a net of $473 million in 1960–61. Measured as a percentage of the net debt the burden of the net annual interest charges was 3.77 per cent in 1961–62 compared with 3.80 per cent in 1960–61.

TABLE 18

(in millions of dollars)

Net Burden of Annual Interest Charges	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Total interest on public debt	804.0	756.7	47.3
Return on investments	−305.0	−283.8	−21.2
Net interest costs	499.0	472.9	26.1
Net interest costs as percentage of net debt	3.77	3.80	

Tax-sharing, subsidy and other payments to provinces

Payments to the provinces during 1961–62 for statutory subsidies, payments under the Federal-Provincial Tax-Sharing Arrangements Act, additional grants to Newfoundland and the transfer of a portion of income tax receipts from certain public utility companies were $541 million compared with $538 million in 1960–61.

Charges to budgetary expenditures in 1961–62 under the federal-provincial tax-sharing arrangements, including adjustments made on account of previous years, were $2 million less than in 1960–61. The decrease was due to an increase in the relative proportion of personal and corporation income tax attributable to provinces other than Ontario and British Columbia which had the effect of reducing the equalization payments payable with respect to 1961–62 as well as substantially lowering the adjusting payments necessitated by the final calculation of the tax-sharing arrangements payments for 1960–61 which were required to be made by December 31, 1961.

Payments of $503 million to the provinces under the federal-provincial tax-sharing arrangements in 1961–62 were adjusted by deducting a total of $1 million from the tax-sharing entitlements of Newfoundland, Prince Edward Island, New Brunswick, Manitoba and Saskatchewan, making a net disbursement to the provinces of $502 million. These deductions represented recovery of one-fifth of the overpayments made to those provinces under the 1952 tax rental agreements on account of an over-estimation of their population as revealed by the 1956 census. By Memoranda of Agreement with the provinces concerned, the 1952 tax rental agreements were amended to authorize the recovery of the overpayments in equal monthly deductions from the tax-sharing payments to those provinces over the five-year life of the new arrangements.

Statutory subsidies at $24 million for 1961–62 were $3 million more than in the previous year, on account of adjustments arising out of the results of the decennial census.

Information in regard to the tax collection agreements with the provinces is given under the liability category "Deposit and trust accounts".

TABLE 19

(in millions of dollars)

Tax-Sharing, Subsidy and Other Payments to Provinces	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Payments under Federal-Provincial Tax-Sharing Arrangements Act, c. 29, Statutes of 1956, as amended	502.7	504.9	−2.2
Statutory subsidies	23.5	20.7	2.8
Transfer of certain public utility tax receipts	6.4	4.2	2.2
Transitional grant to Newfoundland		0.3	−0.3
Additional grant to Newfoundland	8.0	7.7	0.3
	540.6	537.8	2.8

A summary of payments, by provinces, during 1961–62 is given in the following table:

TABLE 20

(in millions of dollars)

Tax-Sharing, Subsidy and Other Payments to Provinces	Fiscal year ended March 31, 1962 (estimated)				
	Payments under tax-sharing arrangements	Statutory subsidies	Transfer of certain public utility tax receipts	Additional grant	Total
Newfoundland	27.6	1.7	0.1	8.0	37.4
Nova Scotia	39.8	2.1	0.4		42.3
Prince Edward Island	7.2	0.7	0.1		8.0
New Brunswick	33.7	1.7	0.1		35.5
Quebec	60.4	4.0	2.1		66.5
Ontario	120.7	4.6	0.6		125.9
Manitoba	40.4	2.1	0.1		42.6
Saskatchewan	40.6	2.1	0.1		42.8
Alberta	58.4	2.8	1.9		63.1
British Columbia	73.9	1.7	0.9		76.5
	502.7	23.5	6.4	8.0	540.6

The amount of public utility tax receipts for transfer to the provinces in 1961–62 was $6 million, an increase of $2 million over the 1960–61 total. The 1961–62 payments represent the transferable portion of the income tax received from corporations whose main business was the distribution to, or the generation for distribution to, the public of electrical energy, gas or steam for the taxation year 1959.

Fisheries

Expenditures of the Department of Fisheries amounted to $24 million in 1961–62, $5 million more than in 1960–61.

Increases of $2 million in outlays for field services, $2 million in expenditures of the Fisheries Research Board of Canada and $1 million in administration and general costs were the main factors contributing to the increase.

TABLE 21

(in millions of dollars)

Fisheries	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Administration and general	4.8	3.7	1.1
Canadian share of the expenses of international commissions	1.1	0.8	0.3
Field services	12.0	9.9	2.1
Fisheries Research Board of Canada	6.4	4.8	1.6
	24.3	19.2	5.1

Forestry

Expenditures of the Department of Forestry totalled $15 million for 1961–62, an increase of $5 million over the 1960–61 total of $10 million.

Contributions to the provinces for assistance in establishing forest access roads and trails during 1961–62 were $3 million over the comparable expenditure for 1960–61, while outlays for forest research, and administration and general costs were each $1 million more.

TABLE 22

(in millions of dollars)

Forestry	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Administration and general	1.9	1.2	0.7
Contributions to the provinces—			
Assistance in forest inventory, reforestation and forest fire protection	2.4	2.3	0.1
Forest access roads and trails	4.0	0.6	3.4
Forest research	6.8	6.0	0.8
	15.1	10.1	5.0

Justice

Expenditures of the Department of Justice amounted to $35 million for 1961–62, an increase of $7 million over the total for the previous fiscal year.

Administration and general costs accounted for $1 million and expenditures of the Office of the Commissioner of Penitentiaries for $6 million of the overall increase.

TABLE 23

(in millions of dollars)

JUSTICE	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Administration and general	4.6	3.6	1.0
Judges' salaries and travelling allowances	5.1	5.0	0.1
	9.7	*8.6*	*1.1*
Office of the Commissioner of Penitentiaries—			
Administration	0.7	0.7	
Construction, improvements and equipment	6.6	3.2	3.4
Operation and maintenance of penitentiaries	17.7	15.2	2.5
	25.0	*19.1*	*5.9*
	34.7	27.7	7.0

Labour

Expenditures of the Department of Labour totalled $188 million in 1961–62, an increase of $67 million over the total for 1960–61.

Payments to provinces under the Technical and Vocational Training Assistance Act of $54 million for the year were $46 million more than comparable expenditures in 1960–61. This act, which received Royal Assent on December 20, 1960, superseded the Vocational Training Co-ordination Act. The purpose of the act is to provide financial assistance to vocational and technical schools, and training under youth training projects.

Payments to provinces and in respect of Indian bands by the Government of Canada, of amounts not exceeding one-half of the cost of labour engaged on winter work projects in the amount of $24 million were $15 million more than in 1960–61.

TABLE 24

(in millions of dollars)

LABOUR	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Administration and general	7.4	6.7	0.7
Municipal winter works incentive program	24.0	8.9	15.1
Payments to provinces authorized by the Technical and Vocational Training Assistance Act	54.0	8.5	45.5
	85.4	*24.1*	*61.3*
Unemployment Insurance Commission—			
Administration and general	46.1	42.1	4.0
Government's contribution to the fund	56.6	55.1	1.5
	102.7	*97.2*	*5.5*
	188.1	121.3	66.8

Unemployment Insurance Act administration and government's contribution

Expenditures in 1961–62 relating to the act (excluding the government's payment as an employer which is included in the expenditures of the Department of Finance) totalled $103 million compared with $97 million in 1960–61.

Unemployment insurance benefit payments are not charged to budgetary expenditures but are paid from the unemployment insurance fund which is financed by equal contributions from employees and employers, by interest earned on investments, and by the government's contribution of an amount equal to one-fifth of the combined employee-employer contributions. Further information in regard to the unemployment insurance fund is given under the liability category "Annuity, insurance and pension accounts".

The government's contribution to the fund for 1961–62 was $57 million and administrative costs were $46 million; the corresponding amounts for 1960–61 were $55 million and $42 million respectively.

Mines and Technical Surveys

Expenditures of the Department of Mines and Technical Surveys amounted to $69 million in 1961–62, an increase of $10 million over the total for 1960–61.

Increases in expenditures include $6 million in higher outlays for surveys and mapping, $1 million in the expenditures of the geological survey of Canada, $1 million in costs of the Dominion Coal Board and $1 million for administration and general expenses.

TABLE 25

(in millions of dollars)

Mines and Technical Surveys	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Administration and general	5.1	3.9	1.2
Dominion Coal Board	20.0	19.3	0.7
Emergency gold mining assistance	12.5	12.1	0.4
Geological survey of Canada	5.5	4.3	1.2
Mines branch	4.8	4.5	0.3
Surveys and mapping	21.4	15.0	6.4
	69.3	59.1	10.2

National Health and Welfare

Expenditures of the Department of National Health and Welfare during 1961–62 were $1,037 million, an increase of $150 million over the total for 1960–61.

Outlays for the national health branch were $368 million in 1961–62, an increase of $98 million over the previous year's total. The increase was due primarily to the increase of $95 million in the government's contributions under the Hospital Insurance and Diagnostic Services Act.

During 1961–62 expenditures of the welfare branch increased by $51 million to $663 million mainly as the result of increases of $36 million for unemployment assistance and $15 million for family allowances.

TABLE 26
(in millions of dollars)

National Health and Welfare	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Administration and general	6.3	5.1	1.2
National health branch—			
Government's contributions under the Hospital Insurance and Diagnostic Services Act	284.0	189.4	94.6
General health grants to provinces	49.0	48.0	1.0
Indian and northern health services	24.5	23.0	1.5
Other	10.3	9.4	0.9
	367.8	*269.8*	*98.0*
Welfare branch—			
Family allowances	520.9	506.2	14.7
Old age assistance	30.7	30.7	
Disabled persons allowances	16.2	16.4	−0.2
Blind persons allowances	4.1	4.2	−0.1
Unemployment assistance	88.0	51.5	36.5
Other	3.4	3.3	0.1
	663.3	*612.3*	*51.0*
	1,037.4	887.2	150.2

Government's contributions under the Hospital Insurance and Diagnostic Services Act

The Hospital Insurance and Diagnostic Services Act, Statutes of 1957, authorized contributions by Canada in respect of programs administered by the provinces, providing hospital insurance and laboratory and other services in aid of diagnosis. In 1961–62 payments were $284 million compared with $189 million in 1960–61. The increase of $95 million was due partly to the fact that during 1961–62 all provinces and territories were participating under the agreements for the full fiscal year, whereas during 1960–61 the Province of Quebec and the Yukon Territory participated under the agreements for only three months and nine months respectively.

The effective date of each agreement is as follows:—July 1, 1958 for Newfoundland, Manitoba, Saskatchewan, Alberta and British Columbia; January 1, 1959 for Nova Scotia and Ontario; July 1, 1959 for New Brunswick; October 1, 1959 for Prince Edward Island; April 1, 1960 for the Northwest Territories; July 1, 1960 for the Yukon Territory; and January 1, 1961 for Quebec.

TABLE 27
(in millions of dollars)

Government's Contributions under the Hospital Insurance and Diagnostic Services Act	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Newfoundland	6.3	5.1	1.2
Nova Scotia	11.5	9.6	1.9
Prince Edward Island	1.4	1.0	0.4
New Brunswick	9.7	7.9	1.8
Quebec	72.0	13.9	58.1
Ontario	104.7	84.5	20.2
Manitoba	15.3	13.1	2.2
Saskatchewan	15.9	14.5	1.4
Alberta	21.0	16.9	4.1
British Columbia	25.5	22.5	3.0
Northwest and Yukon Territories	0.7	0.4	0.3
	284.0	189.4	94.6

General health grants to provinces

General health grants to provinces for assistance in hospital construction, general health services and the control of diseases amounted to $49 million for 1961–62, an increase of $1 million over the 1960–61 total of $48 million.

TABLE 28
(in millions of dollars)

General Health Grants	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Newfoundland	1.1	0.8	0.3
Nova Scotia	2.6	2.9	−0.3
Prince Edward Island	0.3	0.4	−0.1
New Brunswick	1.8	1.6	0.2
Quebec	13.9	14.0	−0.1
Ontario	16.2	15.8	0.4
Manitoba	2.7	3.0	−0.3
Saskatchewan	2.6	2.5	0.1
Alberta	3.7	2.8	0.9
British Columbia	4.0	4.1	−0.1
Northwest and Yukon Territories	0.1	0.1	
	49.0	48.0	1.0

Family allowances

Family allowances are payable in respect of all children under sixteen years of age, resident in Canada, with minor exceptions such as in the case of children of immigrants who must reside in Canada one year before an allowance is payable. The monthly allowance is $6 if the child is under 10 years and $8 in the age group 10 to 15. Children of immigrants receive family assistance of $5 per month during their first year of residence in Canada from the Department of Citizenship and Immigration if during that period they are under sixteen years of age.

Family allowance payments in 1961–62 totalled $521 million and represented 8 per cent of total expenditures. The increase of $15 million over the previous year reflects the increase in the number of children in the eligible age groups.

TABLE 29
(in millions of dollars)

Family Allowance Payments	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Newfoundland	16.3	16.0	0.3
Nova Scotia	21.6	21.2	0.4
Prince Edward Island	3.2	3.1	0.1
New Brunswick	19.2	18.9	0.3
Quebec	158.2	154.2	4.0
Ontario	168.1	162.6	5.5
Manitoba	25.1	24.4	0.7
Saskatchewan	26.3	25.8	0.5
Alberta	38.9	37.4	1.5
British Columbia	42.7	41.4	1.3
Northwest and Yukon Territories	1.3	1.2	0.1
	520.9	506.2	14.7

Old age assistance, disabled persons allowances, blind persons allowances and unemployment assistance

Under the Old Age Assistance Act, the federal government reimburses the provinces by paying 50 per cent of the lesser of $65 monthly or the amount of assistance given by the provinces in the form of monthly pensions to eligible persons in need who are in the age group 65 to 69. (Under the Old Age Security Act, all persons 70 years and over who satisfy the residence requirements of the act may receive a pension of $65 per month from the federal government out of the old age security fund.) Similarly, the federal government reimburses the provinces under the Blind Persons Act for allowances of not more than $65 per month to blind persons in need 18 years of age or over by paying 75 per cent of the total payments, and under the Disabled Persons Act by paying 50 per cent of not more than $65 per month for allowances to disabled persons in need 18 years of age or over. In 1961–62 payments of $31 million for old age assistance, $16 million in respect of disabled persons allowances and $4 million for blind persons allowances were approximately the same as for 1960–61.

Amendments to the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act raised the maximum pension towards which the federal government would contribute from $55 to $65 per month, effective February 1, 1962. As increased payments are dependent on individual action by each province they will not affect expenditures in the 1961–62 fiscal year. A similar increase was authorized in old age security payments, effective on the same date, through an amendment to the Old Age Security Act.

Under the Unemployment Assistance Act the federal government contributes up to 50 per cent of the cost of unemployment assistance paid by the provinces, subject to certain deductions as set out in the act. All provinces have signed agreements with the federal government. There was an increase of $37 million in contributions for 1961–62 over those for the previous year.

The following table presents a distribution of these payments to provinces for 1961–62:

TABLE 30

(in millions of dollars)

Federal Share of Old Age Assistance, Disabled Persons Allowances, Blind Persons Allowances and Unemployment Assistance	Fiscal year ended March 31, 1962 (estimated)			
	Old age assistance	Disabled persons allowances	Blind persons allowances	Unemployment assistance
Newfoundland	1.7	0.4	0.2	3.5
Nova Scotia	1.6	0.9	0.4	1.5
Prince Edward Island	0.2	0.2	(1)	0.2
New Brunswick	1.7	0.6	0.3	1.6
Quebec	11.0	7.5	1.4	35.8
Ontario	6.7	4.4	0.8	17.0
Manitoba	1.6	0.4	0.2	3.8
Saskatchewan	1.8	0.5	0.2	4.0
Alberta	2.0	0.6	0.2	4.5
British Columbia	2.3	0.7	0.3	16.0
Northwest and Yukon Territories	0.1	(1)	0.1	0.1
	30.7	16.2	4.1	88.0

(1) Less than $50,000.

National Research Council, including the Medical Research Council

Expenditures of the National Research Council, including the Medical Research Council amounted to $39 million for 1961–62, $4 million higher than for 1960–61. Increases of $2 million in expenditures for administration and general and $2 million in outlays for scholarships and grants in aid of research were the main factors contributing to this increase.

TABLE 31

(in millions of dollars)

National Research Council, including the Medical Research Council	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Administration and general	21.7	19.7	2.0
Construction or acquisition of buildings, works, land and equipment	5.5	5.3	0.2
Scholarships and grants in aid of research	11.5	9.4	2.1
	38.7	34.4	4.3

National Revenue

Expenditures of the Department of National Revenue totalled $76 million for 1961–62, $3 million more than in 1960–61, due mainly to increases of $2 million in expenditures of the taxation division and $1 million in outlays of the customs and excise divisions.

TABLE 32

(in millions of dollars)

National Revenue	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Customs and excise divisions	40.1	39.0	1.1
Taxation division	35.6	34.1	1.5
Income tax appeal board	0.2	0.2	
	75.9	73.3	2.6

Northern Affairs and National Resources

Expenditures of the Department of Northern Affairs and National Resources in the fiscal year 1961–62 amounted to $87 million, an increase of $12 million over the comparable total for 1960–61.

The main changes were increases of $5 million in expenditures of the national parks branch, $5 million in outlays of the northern administration branch and $2 million in the expenses of the water resources branch and a decrease of $1 million in administration and general costs.

TABLE 33
(in millions of dollars)

Northern Affairs and National Resources	Fiscal year ended March 31		Increase or decrease (—)
	1962 (estimated)	1961	
Administration and general	3.9	4.5	—0.6
Canadian government travel bureau	3.0	2.7	0.3
Contributions to the provinces to assist in the development of roads leading to resources	12.0	12.0	
National parks branch	29.2	23.9	5.3
Northern administration branch	34.4	29.2	5.2
Water resources branch	4.0	2.0	2.0
	86.5	74.3	12.2

Post Office

Gross expenditures of the Post Office Department for 1961–62 totalled $219 million, an increase of $12 million over the 1960–61 outlay of $207 million.

Remuneration of postmasters and staffs at revenue and semi-staff offices and certain other authorized disbursements are paid from revenue. These payments, included in the total of $219 million, were $30 million for 1961–62, an increase of $2 million over the comparable total for 1960–61.

TABLE 34
(in millions of dollars)

Post Office	Fiscal year ended March 31		Increase or decrease (—)
	1962 (estimated)	1961	
Charged to budgetary expenditure—			
Administration and general	2.1	2.1	
Financial services	3.3	3.1	0.2
Operations—salaries and other expenses of staff post offices, district offices and railway mail services; and supplies and equipment and other items for revenue post offices	120.3	111.0	9.3
Transportation—movement of mail by land, air and water	62.9	62.2	0.7
	188.6	*178.4*	*10.2*
Charged to revenue—			
Operations—salaries of postmasters and staffs at revenue and semi-staff offices, commissions paid at sub-offices and other disbursements	29.9	28.3	1.6
	218.5	206.7	11.8

Public Works

Expenditures of the Department of Public Works for 1961–62 amounted to $193 million, a decrease of $8 million from the 1960–61 total of $201 million.

Increases in expenditures of $3 million for housing, $3 million in payments to the National Capital Commission, $2 million for harbours and rivers engineering services and $1 million in administration and general costs were more than offset by decreases in expenditures of $9 million in development engineering services and $6 million in outlays for "Public buildings—construction and services".

The decrease of $9 million in expenditures of the development engineering services was due mainly to the reduction of $7 million in contributions to the provinces under the terms of the Trans-Canada Highway Act and the decrease of $3 million in costs of construction of the Trans-Canada highway through national parks, offset in part by the increase of $1 million in outlays for the installation of a water supply system at Churchill, Manitoba.

Expenditures for "Public buildings—construction and services" were approximately $6 million less than the comparable figure for the previous fiscal year, due to the decrease in costs of acquisition, construction and improvements of public buildings.

TABLE 35

(in millions of dollars)

Public Works	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Administration and general	15.3	14.4	0.9
Development engineering services—			
Trans-Canada highway division—			
Construction through national parks	6.3	9.2	−2.9
Contributions to the provinces under the terms of the Trans-Canada Highway Act	42.0	48.7	−6.7
General	5.3	4.5	0.8
	53.6	*62.4*	*−8.8*
Harbours and rivers engineering services—			
Acquisition, construction and improvements of harbours and river works	31.5	29.9	1.6
Dredging	6.1	6.1	
General	0.8	0.9	−0.1
	38.4	*36.9*	*1.5*
Housing	6.2	3.7	2.5
National Capital Commission	8.8	6.3	2.5
Public buildings—construction and services—			
Acquisition, construction and improvements of public buildings—			
Ottawa	8.3	8.5	−0.2
Other centres in Canada	15.8	18.2	−2.4
Outside Canada	0.3	4.3	−4.0
Fire prevention	0.2	0.2	
Furniture and furnishings	2.8	2.6	0.2
Maintenance and operation	43.7	43.4	0.3
	71.1	*77.2*	*−6.1*
	193.4	200.9	−7.5

Royal Canadian Mounted Police

Expenditures for the Royal Canadian Mounted Police amounted to $61 million for 1961–62, an increase of $5 million over the 1960–61 total of $56 million.

Payments as shown in the table represent gross expenditures; payments received from the provinces and municipalities for police services at $11 million have been credited to revenue.

Increases in expenditures of $5 million for the land, air and training divisions and $1 million in higher outlays for headquarters administration and national police services were offset partly by the decrease of $1 million in the government's contribution to the Royal Canadian Mounted Police superannuation account.

The decrease of $1 million in the government's contribution to the Royal Canadian Mounted Police superannuation account was due to the fact that the government's contribution during 1961–62 was based on the amount paid into the

account by contributors for the twelve-month period ending March 31, 1961, whereas in the previous fiscal year it was based on the twelve-month period ending March 31, 1960 as well as a nine-month period April 1 to December 31, 1960, inclusive, in accordance with the provisions of the new Royal Canadian Mounted Police Superannuation Act, 1960.

TABLE 36

(in millions of dollars)

Royal Canadian Mounted Police	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Government's contribution to Royal Canadian Mounted Police superannuation account	2.3	2.9	−0.6
Headquarters administration and national police services	7.7	6.8	0.9
Land, air and training divisions	45.9	41.4	4.5
Marine services	1.8	1.7	0.1
Pensions and other benefits	3.4	3.2	0.2
	61.1	56.0	5.1

Trade and Commerce

Expenditures of the Department of Trade and Commerce were $40 million for 1961–62, compared with the 1960–61 total of $22 million.

The increase of $18 million in expenditure for 1961–62 was due mainly to increases of $3 million in administration and general costs and $15 million in outlays of the Dominion Bureau of Statistics mainly on account of the 1961 Decennial Census of Canada.

TABLE 37

(in millions of dollars)

Trade and Commerce	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Administration and general	6.7	4.0	2.7
Dominion Bureau of Statistics	25.1	10.4	14.7
National Energy Board	0.5	0.4	0.1
Standards branch	2.7	2.5	0.2
Trade commissioner service	5.0	4.5	0.5
	40.0	21.8	18.2

Transport

Expenditures of the Department of Transport totalled $416 million for 1961–62, compared with the 1960–61 total of $336 million.

Outlays for air services reflected an increase of $18 million over the previous year due mainly to increased expenditures of $8 million by the civil aviation branch, $6 million by the telecommunications and electronics branch and $3 million by the meteorological branch.

Expenditures of the Board of Transport Commissioners for Canada increased by $45 million due in large part to interim payments of $50 million related to

recommendations of the Royal Commission on Railway Problems, pending its complete report, to companies as defined in the Freight Rates Reduction Act. A decrease of $5 million in the government's contribution to the railway grade crossing fund occurred during 1961–62.

Increases in expenditures amounting to $4 million by the Canadian Maritime Commission in 1961–62 were attributable to the increase of $1 million in steamship subventions for coastal services and to the outlay of $3 million for capital subsidies for the construction of commercial and fishing vessels for which there was no comparable expenditure in the previous fiscal year.

Marine services expenditures amounting to $50 million were $3 million greater than in 1960–61; outlays for railway and steamship services, including charges to expenditures in respect of deficits of government-owned enterprises, were approximately the same as for the previous fiscal year; the deficit of Trans-Canada Air Lines charged to budgetary expenditure in 1961–62 was $7 million compared with $3 million in 1960–61; and non-active advances to the National Harbours Board were $4 million greater than in the previous year.

TABLE 38

(in millions of dollars)

Transport	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Administration and general	7.2	6.1	1.1
Air services—			
Administration	5.5	4.8	0.7
Civil aviation branch	91.3	82.9	8.4
Meteorological branch	18.9	16.2	2.7
Telecommunications and electronics branch	36.3	30.0	6.3
	152.0	*133.9*	*18.1*
Board of Transport Commissioners for Canada—			
Administration and general	1.3	1.2	0.1
Freight Rates Reduction Act	20.0	20.4	−0.4
Interim payments related to the recommendations of the Royal Commission on Railway Problems	50.0		50.0
Maintenance of trackage	7.0	7.0	
Contribution to the railway grade crossing fund	10.0	15.0	−5.0
	88.3	*43.6*	*44.7*
Canadian Maritime Commission	11.2	6.9	4.3
Marine services—			
Administration and general	1.1	1.0	0.1
Aids to navigation	10.7	10.1	0.6
Canals	4.0	4.1	−0.1
Canadian marine services	23.0	23.3	−0.3
Marine regulations	4.5	3.5	1.0
Ship channel service—St. Lawrence and Saguenay rivers	6.5	4.7	1.8
	49.8	*46.7*	*3.1*
Railway and steamship services—			
Auto-ferries, docks and terminals	5.1	5.8	−0.7
Maritime Freight Rates Act—difference between tariffs and normal tolls	12.3	14.1	−1.8
Deficits—			
Canadian National Railways	67.3	67.5	−0.2
Newfoundland ferry and terminals	7.1	5.4	1.7
Prince Edward Island car ferry and terminals	3.1	2.6	0.5
Yarmouth, N.S.—Bar Harbour, Maine, U.S.A., ferry service	0.1	0.1	
Other	1.4	0.5	0.9
	96.4	*96.0*	*0.4*
Trans-Canada Air Lines—deficit	6.5	2.6	3.9
Non-active advances—National Harbours Board	5.0	0.6	4.4
	416.4	336.4	80.0

Veterans Affairs

Expenditures of the Department of Veterans Affairs amounted to $334 million for 1961–62, an increase of $42 million over the 1960–61 total of $292 million.

Pensions for disability or death totalled $178 million during the current year as compared with $151 million in 1960–61, and outlays for war veterans allowances and other benefits increased by $16 million to $81 million for 1961–62. These increases were mainly the result of increased rates of pensions during the year over those in effect during 1960–61.

TABLE 39

(in millions of dollars)

Veterans Affairs	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Administration and general	6.9	6.7	0.2
Pensions for disability or death	177.6	150.7	26.9
Soldier Settlement and Veterans Land Acts—			
Administration and general	4.7	5.2	−0.5
Provision for reserve for conditional benefits, Veterans Land Act	3.2	3.4	−0.2
Treatment and welfare services	58.5	58.7	−0.2
War service gratuities and re-establishment credits	2.2	2.9	−0.7
War veterans allowances and other benefits	81.0	64.7	16.3
	334.1	292.3	41.8

All Other Departments

Expenditures of the departments not dealt with in preceding sections amounted to $38 million, an increase of $5 million over the total for 1960–61.

The most significant changes in expenditures for 1961–62 were increases of $3 million in outlays of the Privy Council Office (of which $2 million pertained to the expenses of the Royal Commission on Government Organization), $1 million in the expenditures of the Department of Public Printing and Stationery and $1 million in higher costs of the Civil Service Commission.

TABLE 40

(in millions of dollars)

All Other Departments	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Auditor General	1.1	0.9	0.2
Board of Broadcast Governors	0.3	0.3	
Chief Electoral Officer	0.3	0.6	−0.3
Civil Service Commission	4.7	4.2	0.5
Governor General and Lieutenant-Governors	0.5	0.4	0.1
Insurance	1.4	1.3	0.1
Legislation	8.4	8.5	−0.1
National Film Board	5.2	4.9	0.3
National Gallery of Canada	1.0	0.9	0.1
Privy Council	4.9	1.9	3.0
Public Archives and National Library	1.0	0.8	0.2
Public Printing and Stationery	4.1	3.5	0.6
Secretary of State	5.1	4.9	0.2
	38.0	33.1	4.9

4. SUMMARY OF ASSETS AND LIABILITIES OF CANADA AS AT MARCH 31, 1962

The assets and liabilities of the Government of Canada at March 31, 1962, the comparable balances at March 31, 1961, and the changes in each category during 1961–62, are shown in condensed form in the following table.

TABLE 41

SUMMARY OF ASSETS AND LIABILITIES OF CANADA

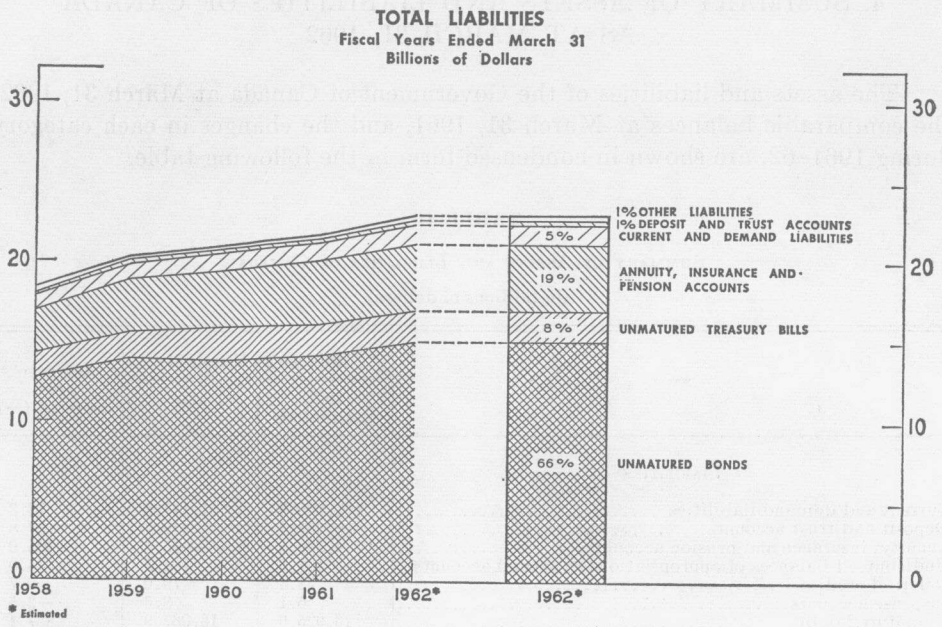
(in millions of dollars)

	Balance at March 31		Increase or decrease (−)
	1962 (estimated)	1961	
LIABILITIES			
Current and demand liabilities	1,220.9	1,147.6	73.3
Deposit and trust accounts	267.5	239.7	27.8
Annuity, insurance and pension accounts	4,260.5	3,955.5	305.0
Undisbursed balances of appropriations to special accounts	108.5	104.5	4.0
Deferred credits	78.3	79.0	−0.7
Suspense accounts	6.1	8.6	−2.5
Unmatured debt	16,925.0	16,067.9	857.1
Total liabilities	22,866.8	21,602.8	1,264.0
ASSETS			
Current assets	1,220.5	784.4	436.1
Advances to the exchange fund account	1,783.0	2,024.0	−241.0
Sinking fund held for retirement of unmatured debt	17.8	17.0	0.8
Loans to, and investments in, Crown corporations	3,995.3	3,627.7	367.6
Loans to national governments	1,339.8	1,378.2	−38.4
Other loans and investments	974.5	1,022.1	−47.6
Securities held in trust	31.4	30.1	1.3
Deferred charges—			
Unamortized portions of actuarial deficiencies—			
Canadian forces superannuation account	326.3	326.3	
Public service superannuation account	276.7	276.7	
Royal Canadian Mounted Police superannuation account	3.5		3.5
Unamortized loan flotation costs	120.9	130.7	−9.8
	727.4	*733.7*	*−6.3*
Suspense accounts	0.2	0.1	0.1
Capital assets	(1)	(1)	
Inactive loans and investments	94.8	94.8	
Total assets	10,184.7	9,712.1	472.6
Less reserve for losses on realization of assets	−546.4	−546.4	
Net assets	9,638.3	9,165.7	472.6
Net debt, represented by excess of liabilities over net assets	13,228.5	12,437.1	791.4

(1) Shown at nominal value of $1

A. CHANGES IN PRINCIPAL LIABILITY CLASSIFICATIONS DURING 1961–62

The gross liabilities of the government increased by $1,264 million during the fiscal year due mainly to increases of $857 million in unmatured debt, $305 million in annuity, insurance and pension accounts, $73 million in current and demand liabilities, and $28 million in deposit and trust accounts.



Current and demand liabilities

This category consists of obligations of the government payable currently or on demand.

TABLE 42

(in millions of dollars)

Current and Demand Liabilities	Balance at March 31		Increase or decrease (—)
	1962 (estimated)	1961	
Outstanding treasury cheques	266.0	251.7	14.3
Accounts payable	240.3	221.4	18.9
Non-interest bearing notes payable to—			
The international development association	6.7	6.7	
The international monetary fund	356.0	377.0	−21.0
	362.7	*383.7*	*−21.0*
Matured debt outstanding	46.9	31.9	15.0
Interest due and outstanding	95.0	66.8	28.2
Interest accrued	182.0	154.0	28.0
International monetary fund—revaluation adjustment of Canadian dollar balance		10.1	−10.1
Post office—outstanding money orders	23.1	23.1	
Outstanding letter of credit cheques	4.5	4.5	
Other current liabilities	0.4	0.4	
	1,220.9	1,147.6	73.3

The net increase of $73 million was due mainly to increases of $28 million in interest due and outstanding, $28 million in accrued interest, $19 million in accounts payable, $15 million in matured debt outstanding, and $14 million in outstanding treasury cheques offset partly by decreases of $21 million in non-interest bearing notes and $10 million in the revaluation adjustment of the Canadian dollar balance in the international monetary fund.

Deposit and trust accounts

Sundry funds deposited with, or held in trust by, the Receiver General of Canada for various purposes are recorded in these accounts.

TABLE 43

(in millions of dollars)

Deposit and Trust Accounts	Balance at March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Army benevolent fund	6.1	6.5	−0.4
Canadian Arsenals Limited pension fund	12.1		12.1
Canadian Pension Commission—administration trust fund	12.0	11.0	1.0
Contractors holdbacks	15.3	15.6	−0.3
Contractors securities—sundry departments—			
Bonds	13.2	11.0	2.2
Cash	10.4	9.4	1.0
Certified cheques	1.4	1.4	
	25.0	*21.8*	*3.2*
Crown corporations deposits	23.5	19.4	4.1
Emergency gold mining assistance—holdbacks	1.5	1.4	0.1
Guarantee deposits—			
Customs and excise	4.7	4.6	0.1
Northern Affairs and National Resources	8.0	9.1	−1.1
Indian trust funds	30.0	28.5	1.5
Instalment purchase of bonds, public service	11.5	11.7	−0.2
Korean operations pool	16.1	16.1	
National Harbours Board—special accounts	4.0	5.7	−1.7
Post office savings bank	28.6	28.5	0.1
Provincial tax collection agreements	38.0		38.0
Soldier settlement and veterans land acts trust account—general	2.5	2.5	
United States of America	7.7	36.7	−29.0
War claims fund—world war 2	1.0	1.1	−0.1
Other	19.9	19.5	0.4
	267.5	239.7	27.8

The change during the year was an increase of $28 million. The main items constituting this increase were $38 million in the provincial tax collection agreements account and a decrease of $29 million in the United States of America deposit account.

Under the 1957 tax rental agreements, the obligation on the renting provinces to abstain from the imposition of personal and corporation income taxes was to lapse on December 31, 1961. As the Government of Canada did not offer to renew tax rental agreements, the former renting provinces have all imposed personal and corporation income taxes effective January 1, 1962. The Government of Canada, in place of the tax rental agreements, offered to enter into tax collection agreements with the provinces whereby Canada would undertake to collect without charge the provincial personal and corporation income taxes at rates determined by the provinces provided that the provincial personal income tax was expressed as a percentage of the federal personal income tax payable and the provincial corporation income tax employed a definition of corporate taxable income identical with the federal definition. To make room for the imposition of provincial income taxes, the Income Tax Act was amended in the 1961 session of Parliament to (1) reduce the federal income tax payable by individuals resident

in the provinces by 16 per cent in 1962 and by a further one per cent in each subsequent year until the deduction amounts to 20 per cent in 1966, and (2) reduce the federal tax rate on the taxable income of corporations earned in the provinces by 9 percentage points. Canada will be collecting the personal income tax for nine provinces (Quebec excepted) and the corporation income tax for eight provinces (Quebec and Ontario excepted). With the exception of Saskatchewan and Manitoba, the provinces which have entered into tax collection agreements have imposed personal and corporation income taxes equivalent to the federal withdrawal. The aforementioned provinces have imposed personal income taxes at 22 per cent rather than 16 per cent of the federal tax payable and 10 per cent rather than 9 per cent of the taxable income of corporations.

Annuity, insurance and pension accounts

In this category are recorded the amounts to the credit of the various annuity, insurance and pension accounts.

TABLE 44

(in millions of dollars)

Annuity, Insurance and Pension Accounts	Balance at March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Unemployment insurance fund	71.5	(1)264.6	−193.1
Less investment in bonds and accrued interest	−53.5	−247.0	193.5
Uninvested funds on deposit with the government	18.0	17.6	0.4
Government annuities	1,236.1	1,199.1	37.0
Public service superannuation account	1,588.8	1,468.8	120.0
Canadian forces superannuation account	1,279.4	1,155.3	124.1
Old age security fund	6.7		6.7
Other	131.5	114.7	16.8
	4,260.5	3,955.5	305.0

(1) Includes loan of $67 million from the Minister of Finance.

Unemployment insurance fund

The total benefits paid out of the Unemployment Insurance Fund in the 1961–62 fiscal year were $466 million, its total revenues $340 million, and its deficit $126 million. This compares with 1960–61 figures of benefit payments of $514 million, revenues of $333 million and a deficit of $181 million. In addition the fund has repaid in full its advances from the Minister of Finance in the net amount of $67 million, resulting in a total reduction in the fund's assets of $193 million.

Government annuities account

The government annuities account increased by $37 million during the year reflecting the amount by which premium receipts of $45 million and interest of $46 million credited to the account by the government exceeded payments of $54 million to annuitants and beneficiaries.

Public service superannuation account

The increase of $120 million in the public service superannuation account was due mainly to the government's contribution of $47 million (equal to the estimated current and prior service payments of individuals in 1960–61), and interest of $61 million credited to the account. The remainder of the increase was due to the excess of employees' current and prior service contributions and miscellaneous receipts over benefit payments.

Canadian forces superannuation account

The Canadian forces superannuation account increased by $124 million. The increase reflected the government's contribution of $56 million which was made at the rate of one and two-thirds times the current and prior service contributions, interest of $48 million credited to the account, and the amount of $20 million by which contributions by permanent services personnel for current and prior years' service exceeded benefit payments from the account.

Old age security fund

Under the Old Age Security Act pensions at $55 per month (increased to $65 per month effective February 1, 1962) are paid, without a means test, from the old age security fund to all eligible persons seventy years of age or over. Credits of $649 million consisting of $290 million from the 3 per cent sales tax, $259 million from the 3 per cent tax on personal incomes (maximum tax $90) and $100 million from the 3 per cent tax on corporation profits exceeded payments of $625 million by $24 million. Temporary loans of $17 million as at March 31, 1961 have been repaid resulting in a credit balance in the fund of $7 million. In 1960–61 receipts of $603 million exceeded payments of $592 million by $11 million and a $28 million deficit (covered by temporary loans from the Minister of Finance) was brought forward from 1959–60.

TABLE 45

(in millions of dollars)

Old Age Security Fund	Fiscal year ended March 31				
	1958	1959	1960	1961	1962 (estimated)
Tax receipts—					
Sales tax	175.8	173.6	270.0	270.2	290.0
Personal income tax	135.0	146.4	185.6	229.4	259.0
Corporation income tax	60.7	55.3	91.3	103.5	100.0
Total tax receipts	371.5	375.3	546.9	603.1	649.0
Pension payments	−473.9	−559.3	−574.9	−592.4	−625.0
Excess of receipts over payments	−102.4	−184.0	−28.0	10.7	24.0
Temporary loans brought forward	−1.5			−28.0	−17.3
Appropriation by Parliament—					
Charged to budgetary expenditures	103.9	184.0			
Temporary loans from the Minister of Finance to cover deficit in fund			28.0	17.3	
Balance in fund					6.7

A distribution by provinces of pension payments from the old age security fund for the last two years is shown in the following table:

TABLE 46

(in millions of dollars)

Old Age Security Payments	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Newfoundland	12.0	11.4	0.6
Nova Scotia	28.9	27.6	1.3
Prince Edward Island	5.2	4.9	0.3
New Brunswick	21.3	20.4	0.9
Quebec	131.4	124.3	7.1
Ontario	226.0	214.6	11.4
Manitoba	38.1	36.1	2.0
Saskatchewan	39.6	37.6	2.0
Alberta	42.3	39.7	2.6
British Columbia	79.7	75.4	4.3
Northwest and Yukon Territories	0.5	0.4	0.1
	625.0	592.4	32.6

Undisbursed balances of appropriations to special accounts

This category records the undisbursed balances of appropriations to special accounts for which moneys have been appropriated by Parliament and from which disbursements may be made for authorized purposes in periods subsequent to that in which the appropriation was made. There was an increase of $4 million during the fiscal year bringing the balance as at March 31, 1962 to $109 million.

TABLE 47

(in millions of dollars)

Undisbursed Balances of Appropriations to Special Accounts	Balance at March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Colombo plan fund	75.4	67.5	7.9
National capital fund	2.9	2.8	0.1
Railway grade crossing fund	30.1	34.1	−4.0
Other	0.1	0.1	
	108.5	104.5	4.0

The increase of $8 million in the Colombo plan fund resulted from a credit thereto of $50 million, the offsetting debit being to budgetary expenditures, and charges of $42 million to cover disbursements.

The railway grade crossing fund showed a decrease of approximately $4 million during the year representing disbursements of $14 million from the fund less an amount of $10 million credited thereto and charged to expenditures.

Deferred credits

This category records amounts due the government in respect of which payment has been deferred. These are contra accounts to corresponding items under the following asset categories: "Cash in blocked currencies", "Loans to, and investments in, Crown corporations", "Loans to national governments" and "Other loans and investments".

TABLE 48

(in millions of dollars)

Deferred Credits	Balance at March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Agreements of sale of Crown assets	8.7	9.9	−1.2
Crown Assets Disposal Corporation	6.0	4.9	1.1
Deferred interest—			
The St. Lawrence Seaway Authority	19.4	19.4	
United Kingdom Financial Agreement Act, 1946	44.2	44.2	
Other	(1)	0.6	−0.6
	78.3	79.0	−0.7

(1) Less than $50,000.

Balances receivable under agreements of sale of Crown assets are set up as contra accounts to corresponding items under "Other loans and investments". During the year receipts amounted to $1 million on outstanding agreements.

The government's equity in the agency account of Crown Assets Disposal Corporation is a contra account to a corresponding item under "Other loans and investments". This equity increased by $1 million during the year.

There was no change during the year in deferred interest of $44 million on loans made under the United Kingdom Financial Agreement Act, 1946, and of $19 million on loans made to The St. Lawrence Seaway Authority. These are contra accounts to corresponding items under "Loans to national governments" and "Loans to, and investments in, Crown corporations" respectively.

Suspense accounts

These consist of balances where some uncertainty as to disposition exists.

TABLE 49

(in millions of dollars)

Suspense Accounts	Balance at March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Replacement of materiel, sec. 11, National Defence Act	1.6	4.6	−3.0
Unclaimed cheques	1.5	1.4	0.1
Other	3.0	2.6	0.4
	6.1	8.6	−2.5

The replacement of materiel account, established by section 11 of the National Defence Act, is credited with amounts realized from the sale of materiel that has not been declared surplus to requirements but has been authorized by the Governor in Council to be sold to other countries. The account is debited with disbursements representing amounts paid for the procurement of replacement materiel. During 1961–62 disbursements exceeded credits by $3 million.

The unclaimed cheques account is credited with the amount of treasury cheques (except those drawn on asset and liability accounts) which remain undelivered for certain specified periods subsequent to date of issue, pending claims therefor.

Unmatured debt

The unmatured debt of Canada as at March 31, 1962 amounted to $16,925 million as compared with $16,068 million at March 31, 1961. The increase of $857 million applied to debt payable in Canada.

TABLE 50

(in millions of dollars)

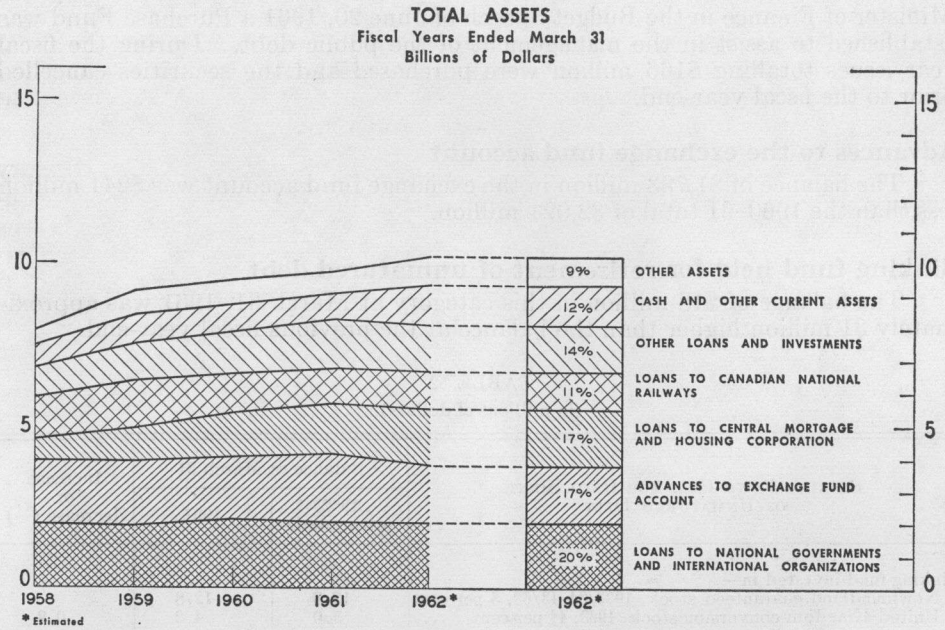
Unmatured Debt	Balance at March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Payable in Canada—			
Canada savings bonds	4,044.0	3,555.5	488.5
Marketable bonds	10,812.8	10,447.2	365.6
Non-marketable bonds (Unemployment Insurance Commission)	53.0		53.0
	14,909.8	*14,002.7*	*907.1*
Treasury bills	1,885.0	1,935.0	−50.0
	16,794.8	15,937.7	857.1
Payable in London	32.0	32.0	
Payable in New York	98.2	98.2	
	16,925.0	16,067.9	857.1

The details of the various loan issues, redemptions and conversions resulting in the net increase are described more fully in section 6, "The Public Debt".

In the year under review, unmatured debt obligations payable in London are stated in Canadian dollars converted at the rate of $2.80 for the pound sterling and that payable in New York at par for the U.S. dollar.

B. Changes in Principal Asset Classifications During 1961–62

The total assets increased by $473 million during 1961–62. The principal changes were increases of $436 million in current assets and $368 million in loans to, and investments in, Crown corporations and decreases of $241 million in advances to the exchange fund account, $48 million in other loans and investments, $38 million in loans to national governments and $6 million in deferrred charges.



Current assets

Total current assets at the close of the 1961–62 fiscal year amounted to $1,220 million, an increase of $436 million from the balance of $784 million at the close of 1960–61. This increase was due mainly to increases of $401 million in cash in current and special deposits and $54 million in departmental working capital advances and revolving funds (including increases of $39 million in the agricultural commodities stabilization account and $18 million in the defence production revolving fund) offset in part by a decrease of $24 million in the securities investment account.

TABLE 51
(in millions of dollars)

Current Assets	Balance at March 31		Increase or decrease (—)
	1962 (estimated)	1961	
Cash in current and special deposits	762.0	360.7	401.3
Cash in hands of collectors and in transit	130.6	126.1	4.5
Departmental working capital advances and revolving funds–			
Agricultural commodities stabilization account	128.7	90.2	38.5
Defence production revolving fund	33.2	15.7	17.5
Miscellaneous departmental imprest and advance accounts	28.0	25.4	2.6
Other	34.7	39.8	—5.1
	224.6	*171.1*	*53.5*
Securities investment account	77.5	101.5	—24.0
Moneys received after March 31 but applicable to the current year	15.0	14.0	1.0
Post Office—cash on hand and in transit	10.8	11.0	—0.2
	1,220.5	784.4	436.1

The decrease in the securities investment account was due to the cancellation of $320 million of the holdings therein of the government's own issues, offset in part by the net result of other transactions in the account in the amount of $296 million.

It should also be noted that in accordance with the announcement by the Minister of Finance in the Budget Speech of June 20, 1961 a Purchase Fund was established to assist in the management of the public debt. During the fiscal year issues totalling $166 million were purchased and the securities cancelled prior to the fiscal year-end.

Advances to the exchange fund account

The balance of $1,783 million in the exchange fund account was $241 million less than the 1960–61 total of $2,024 million.

Sinking fund held for retirement of unmatured debt

The balance of $18 million in this category at March 31, 1961 was approximately $1 million higher than the balance at the previous fiscal year-end.

TABLE 52
(in millions of dollars)

Sinking Fund Held for Retirement of Unmatured Debt	Balance at March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Sinking fund invested in—			
Newfoundland guaranteed stock, 1933/34–43/63, 3 per cent	12.8	12.8	
United Kingdom conversion stock, 1963, 4¾ per cent	5.0	4.2	0.8
	17.8	17.0	0.8

Loans to, and investments in, Crown corporations

An increase of $368 million in these loans and investments during 1961–62 brought the balance at March 31, 1962 to $3,995 million.

TABLE 53
(in millions of dollars)

Loans to, and Investments in, Crown Corporations	Balance at March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Atomic Energy of Canada Limited	63.5	60.9	2.6
Bank of Canada	5.9	5.9	
Canadian Arsenals Limited	7.5	7.5	
Canadian Broadcasting Corporation	3.0	3.0	
Canadian Commercial Corporation	7.0	7.0	
Canadian National Railways	1,164.2	1,087.8	76.4
Canadian National (West Indies) Steamships Limited	1.6	1.6	
Canadian Overseas Telecommunication Corporation	34.4	31.7	2.7
Central Mortgage and Housing Corporation	1,708.7	1,510.7	198.0
Eldorado Mining and Refining Limited	8.2	8.2	
Export Credits Insurance Corporation	18.0	10.0	8.0
Farm Credit Corporation	209.8	155.8	54.0
National Capital Commission	34.5	25.2	9.3
National Harbours Board	179.4	172.8	6.6
Northern Canada Power Commission	45.2	40.0	5.2
Northern Ontario Pipe Line Crown Corporation	120.8	123.7	−2.9
Polymer Corporation Limited	30.0	30.0	
The St. Lawrence Seaway Authority—			
Loans	330.5	320.5	10.0
Deferred interest	19.4	19.4	
Trans-Canada Air Lines	2.6	4.8	−2.2
Other Crown Corporations	1.1	1.2	−0.1
	3,995.3	3,627.7	367.6

Advances to Atomic Energy of Canada Limited, to be covered by obligations or shares of the company, were $64 million at March 31, 1962, an increase of $3 million during the year.

During the fiscal year ended March 31, 1962, the government advanced to the Canadian National Railway Company $68 million for capital purposes and retirement of debt in the hands of the public. Of this amount $37 million was advanced under the Refunding Act, 1955, for the refunding of various trust certificates, $28 million for capital purposes and $3 million for the company's purchase fund which is operated under the terms of Canadian National Railway Company bonds, guaranteed by the Government of Canada, issued on May 15, 1959, December 15, 1959, January 1, 1960 and October 1, 1960. During the fiscal year $11 million was repaid by the company on current and prior years' advances.

In addition, to assist the company to finance further capital expenditure during the fiscal year, the government purchased $21 million of four per cent preferred stock of the company. This stock is issued under the authority of the Canadian National Railways Capital Revision Act, 1952, in an amount equal to three per cent of the gross revenue of the company.

Also in the year ended March 31, 1962, the government provided the company with temporary loans of $64 million in respect of its 1961 income deficit. This amount plus temporary loans of $2 million made on the same account in the previous fiscal year brought the total loans on account of the 1961 deficit to $66 million. It should be noted that the total 1961 deficit of $67 million, of which $66 million was covered by temporary loans by the government and the remainder paid from company funds, was charged to budgetary expenditure.

TABLE 54

(in millions of dollars)

Advances to, and Repayments by, the Canadian National Railways	Fiscal year ended March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Advances—			
For the refunding of debt	37.2	1.0	36.2
For capital expenditures	28.4	102.6	−74.2
For purchase fund	2.8	4.0	−1.2
For interim financing of income deficits	63.8	55.5	8.3
	132.2	*163.1*	*−30.9*
Repayments—			
Advances for capital and refunding purposes	−11.4	−225.1	213.7
Advances for interim financing of income deficits	−65.8	−75.0	9.2
	−77.2	*−300.1*	*222.9*
Excess of advances over repayments or repayments over advances (−)	55.0	−137.0	192.0
Purchase of 4 per cent preferred stock (C.N.R. Capital Revision Act, 1952)	21.4	20.5	0.9
Net increase or decrease (−) during the fiscal year in the government's advances to, and investments in, the Canadian National Railways	76.4	−116.5	192.9

In summary, the total amount made available to the company during the fiscal year was $153 million and repayments including the charge to budgetary expenditure were $77 million. The amount of advances to the company outstanding at March 31, 1962 increased by $76 million.

At March 31, 1961, temporary loans of $5 million were outstanding to the Trans-Canada Air Lines in respect of its 1961 income deficit. During 1961–62 further advances of $2 million were made for this purpose. The amount of $7 million was repaid or credited during the year. However, the government made advances of $3 million on account of the air lines 1962 income deficit which is still outstanding.

Loans during the year to Central Mortgage and Housing Corporation amounted to $246 million, of which $237 million was for direct loans by the corporation and $9 million in respect of loans for federal-provincial housing projects. Repayments were $48 million, of which $43 million was in respect of direct loans, $2 million in respect of loans for federal-provincial housing projects and $3 million in respect of loans for housing projects. The net increase of $198 million for the year brought the total loans to $1,709 million at March 31, 1962.

Loans to the Farm Credit Corporation amounted to $56 million and investment in the capital of the corporation to $1 million during the year. Repayments by the corporation of $3 million brought the outstanding advances to $210 million at March 31, 1962.

Advances to The St. Lawrence Seaway Authority during the year amounted to $10 million bringing the total loans to $331 million. In addition, deferred interest on these loans was $19 million at the year-end, unchanged from the total at March 31, 1961. A contra item for this deferred interest is included in the liability catagory "Deferred credits".

It should also be noted that in accordance with Order-in-Council P.C. 1961–1863 dated December 29, 1961, interest of $14 million payable on December 31, 1961 by The St. Lawrence Seaway Authority, as well as interest payable on December 31, 1962, has been deferred until December 31, 1963. On December 31, 1963 the total amount of interest so deferred together with the interest payable December 31, 1963, will be computed as a single sum and is to be repaid in equal annual instalments calculated by amortizing the said sum, including interest at rates determined by the Minister of Finance, over a period of forty-six years.

Other changes in this category include increases of $9 million in loans to the National Capital Commission, $8 million in loans to the Export Credits Insurance Corporation, $7 million in loans to the National Harbours Board, $5 million in loans to the Northern Canada Power Commission, $3 million in loans to the Canadian Overseas Telecommunication Corporation and a decrease of $3 million in loans to the Northern Ontario Pipe Line Crown Corporation.

Loans to national governments

These loans decreased by $38 million during the year leaving a balance of $1,340 million at March 31, 1962.

The United Kingdom government repaid $17 million of the $1,185 million loan made under the $1,250 million credit authorized by the United Kingdom Financial Agreement Act, 1946, reducing the principal to $1,030 million at March 31, 1962.

TABLE 55

(in millions of dollars)

Loans to National Governments	Balance at March 31		Increase or decrease (−)
	1962 (estimated)	1961	
Loans to United Kingdom—			
The United Kingdom Financial Agreement Act, 1946...	1,030.3	1,047.4	−17.1
Deferred interest	44.2	44.2	
	1,074.5	*1,091.6*	*−17.1*
Loans under the Export Credits Insurance Act, Part II—			
Belgium	34.6	36.9	−2.3
France	133.9	142.3	−8.4
The Netherlands	68.9	73.4	−4.5
	237.4	*252.6*	*−15.2*
Special loans to Colombo plan countries to finance the purchase of wheat and flour from Canada—			
Ceylon	1.7	2.0	−0.3
India	24.8	29.5	−4.7
	26.5	*31.5*	*−5.0*
Miscellaneous loans and advances—			
France—interim credit—consolidated interest	1.3	1.4	−0.1
The Netherlands—military relief and currency credits settlement		0.6	−0.6
Other	0.1	0.5	−0.4
	1.4	*2.5*	*−1.1*
	1,339.8	1,378.2	−38.4

Advances under Part II of the Export Credits Insurance Act to Belgium, France and The Netherlands to assist them in purchasing goods in Canada have been reduced by repayments of $15 million during the year leaving a balance of $237 million outstanding.

Special loans to Colombo plan countries to finance the purchase of wheat and flour from Canada amounted to $27 million at March 31, 1962, $5 million less than at March 31, 1961.

Other loans and investments

The balance in this category was $975 million at March 31, 1962, a decrease of $48 million during the fiscal year 1961–62.

Canada's subscriptions to the capital of international organizations increased by $29 million during the year due mainly to a further subscription of $8 million to the international development association and revaluation adjustments of $19 million in the Canadian dollar balance in the international monetary fund.

Loans to provincial governments decreased by $8 million. The balance at March 31, 1961 of $1 million for overpayments to provinces arising out of the 1952 tax rental agreements was settled during the year.

The Veterans Land Act advances account less the reserve for conditional benefits increased by $12 million.

Miscellaneous loans and investments were $81 million lower than the total for the previous year, more than accounted for by the repayment of $67 million by the Unemployment Insurance Commission and the repayment of $17 million of temporary loans in respect of the old age security fund.

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TABLE 56

(in millions of dollars)

Other Loans and Investments	Balance at March 31		Increase or decrease (—)
	1962 (estimated)	1961	
Subscriptions to capital of, working capital advances and loans to, international organizations—			
Canada's subscription to capital of—			
International bank for reconstruction and development	76.5	73.7	2.8
International development association	16.4	8.5	7.9
International finance corporation	3.5	3.5	
International monetary fund	562.7	543.7	19.0
Working capital advances and loans to international organizations	1.4	1.8	—0.4
	660.5	*631.2*	*29.3*
Loans to provincial governments—			
Alberta	7.6	8.0	—0.4
British Columbia	14.7	15.5	—0.8
Manitoba	12.8	13.2	—0.4
New Brunswick	19.5	22.9	—3.4
Saskatchewan	21.7	24.2	—2.5
	76.3	*83.8*	*—7.5*
Overpayments to provinces arising out of 1952 tax rental agreements		1.0	—1.0
Veterans Land Act advances	209.0	199.6	9.4
Less reserve for conditional benefits—			
Veterans Land Act, 1942	—30.6	—33.5	2.9
	178.4	*166.1*	*12.3*
Miscellaneous—			
Assisted passage scheme (section 69, Immigration Act, R.S. 1952)	2.6	3.4	—0.8
Balances receivable under agreements of sale of Crown assets	10.6	12.1	—1.5
City of Montreal—			
Atwater tunnel	2.0	2.0	
St. Remi tunnel	1.1	1.2	—0.1
Construction of dock and rail facilities for Steep Rock Iron Mines Limited	1.6	1.8	—0.2
Crown Assets Disposal Corporation—Government equity in agency account	6.0	4.9	1.1
Dominion Coal Company Limited	5.7	5.7	
Hamilton Harbour Commissioners	1.3	0.9	0.4
Housing projects for Canadian forces	6.8	4.6	2.2
Land development of the Cornwall Navigation System	1.7	1.7	
Municipal Improvements Assistance Act, 1938	1.5	1.6	—0.1
New Westminster Harbour Commission	2.3	2.3	
Northwest Territories	2.1	0.7	1.4
Old age security fund—temporary loans		17.3	—17.3
Town of Oromocto, New Brunswick	4.0	4.2	—0.2
Town of Oromocto Development Corporation	1.0	1.0	
Unemployment Insurance Commission		67.0	—67.0
Yukon Territory	3.6	2.2	1.4
Other	5.4	5.4	
	59.3	*140.0*	*—80.7*
	974.5	1,022.1	—47.6

Securities held in trust

This category records the security holdings of various deposit and trust, and annuity, insurance and pension accounts. Bonds and certified cheques held in connection with contractors' securities included in the deposit and trust category are also recorded under this heading. The balance at March 31, 1962 amounted to $31 million, $1 million higher than the previous year-end balance.

Deferred charges

This category consists of the unamortized portions of actuarial deficiencies in the Canadian forces superannuation account, the public service superannuation account, the Royal Canadian Mounted Police superannuation account, and the outstanding balance of unamortized loan flotation costs. There was a decrease of $6 million in this category during the year, bringing the balance at March 31, 1962 to $727 million.

Unamortized portions of actuarial deficiencies

This category records the unamortized portions of the actuarial deficiencies in the public service, the Canadian forces, and the Royal Canadian Mounted Police superannuation accounts which have been set up as deferred charges to be written off to budgetary expenditure upon parliamentary approval.

The deficiencies in the public service superannuation account, the Canadian forces superannuation account and the Royal Canadian Mounted Police superannuation account are based on actuarial valuations made as at December 31, 1957, March 31, 1958 and December 31, 1961, respectively.

Unamortized loan flotation costs

This account records the residual balances of discounts, commissions, redemption bonuses and conversion premiums on loan flotations that have not

TABLE 57

(in millions of dollars)

Unamortized Loan Flotation Costs	Fiscal year ended March 31	
	1962 (estimated)	1961
Balance of account at beginning of fiscal year	130.7	151.0
New flotation costs to be amortized—		
5½% loan issued Oct. 1, 1959, maturing Oct. 1, 1975	1.4	
4% loan issued Feb. 1, 1961, maturing May 1, 1964	2.1	
3½% loan issued March 15, 1961, maturing Dec. 15, 1962	2.6	
3% loan issued May 1, 1961, maturing May 1, 1962	1.6	
3% loan issued Aug. 1, 1961, maturing Aug. 1, 1962	1.2	
4% loan issued Aug. 1, 1961, maturing Dec. 1, 1964	2.8	
4½% loan issued Sept. 15, 1961, maturing Dec. 15, 1966	1.4	
2¾% loan issued Dec. 1, 1961, maturing June 1, 1963	2.0	
3¼% loan issued Dec. 1, 1961, maturing Oct. 1, 1964	3.4	
4¼% loan issued Dec. 1, 1961, maturing June 1, 1967	0.5	
2¾% loan issued Jan. 15, 1962, maturing April 1, 1963	2.5	
4¼% loan issued Jan. 15, 1962, maturing Jan. 15, 1968	0.5	
Treasury bills discount	9.5	11.3
Canada savings bonds—adjustment of previous issues	0.6	0.7
Canada savings bonds—new issue	9.0	7.2
5½% loan issued April 1, 1960, maturing April 1, 1963		0.7
5½% loan issued April 1, 1960, maturing April 1, 1969		2.3
4¼% loan issued June 1, 1960, maturing Dec. 1, 1962		0.1
3% loan issued Dec. 15, 1960, maturing June 15, 1962		3.4
4% loan issued Dec. 15, 1960, maturing Dec. 15, 1963		3.4
4% loan issued Feb. 1, 1961, maturing May 1, 1964		3.7
3½% loan issued Mar. 15, 1961, maturing Dec. 15, 1962		1.2
	41.1	*34.0*
Less—		
Amortization applicable to fiscal year—		
Canada savings bonds and general loans	−33.6	−38.9
Discount on treasury bills charged to interest on public debt	−11.3	−15.4
Adjustments re cancellations of securities	−6.0	
	−50.9	*−54.3*
Decrease (−) during the year	−9.8	−20.3
Balance of account at end of fiscal year	120.9	130.7

been charged to budgetary expenditure. The balance at March 31, 1962 totalled $121 million, a decrease of $10 million from the previous year-end balance.

Cost of new loans issued during 1961–62 and charged to the account amounted to $41 million, of which $10 was in respect of treasury bill discounts which will be charged to interest on public debt in 1962–63. Credits to the account were $51 million of which $34 million was a charge to the budgetary expenditure item "Annual amortization costs", $11 million, representing discount on treasury bills sold in 1960–61, was a charge to the budgetary item "Interest on public debt" and $6 million was an adjustment due to cancellation of unmatured loans prior to their maturity date.

Suspense accounts

The only item in this category is the cheque adjustment suspense account which reflects unadjusted balances resulting from the reconciliation of payments for redemption of paid cheques with the amount of those cheques as subsequently determined in adjustment of the outstanding cheque account.

Capital assets

Assets of the government such as land, buildings, works and equipment, etc., that are charged to budgetary expenditure at the time of acquisition or construction, are included in this category and are shown on the statement of assets and liabilities at a nominal value of $1.

Inactive loans and investments

Loans and investments which are not currently revenue-producing or realizable are recorded in this category. Included are the loan of $49 million to China under the Export Credits Insurance Act, loans of $24 million and $7 million made to Roumania and Greece in 1919–20 and 1920–21 and advances of $15 million in respect of the implementation of guarantees (Ming Sung Industrial Company Limited).

Reserve for losses on realization of assets

There is no change in this reserve during the year, the balance at March 31, 1962 being $546 million, unchanged from the end of the previous year.

C. Increase in Net Debt

The deficit for the fiscal year of $791 million resulted in a corresponding increase in the net debt of Canada which at March 31, 1962, was $13,229 million.

5. THE CASH POSITION

The government's cash position is affected not only by the budgetary transactions but also by changes in the government's outstanding unmatured debt and by other non-budgetary transactions. In 1961–62 there was an increase of $401 million in the government's bank balances. This increase is the result of the budgetary deficit of $791 million, being more than offset by an increase of $880 million in outstanding unmatured debt (after taking into account transactions in the purchase fund, securities investment and sinking fund accounts) and the net receipts of $312 million from other non-budgetary transactions. It should be noted that in accordance with the announcement by the Minister of Finance in the Budget Speech of June 20, 1961 a Purchase Fund was established to assist in the management of the public debt. During the fiscal year issues totalling $166 million were purchased and the securities subsequently cancelled.

Non-budgetary receipts and disbursements relate to transactions which result in increases or decreases in the government's assets and liabilities and do not appear in what might be called the government's income account for the fiscal year nor do they enter into the calculation of the annual budgetary surplus or deficit. However, in considering the full scope of the government's financial operations and in measuring their effect on the government's cash position and their impact on the economy, non-budgetary as well as budgetary transactions must be taken into account.

TABLE 58
(in millions of dollars)

Changes in Cash Position	Fiscal year ended March 31			
	1962 (estimated)		1961	
Budgetary transactions—				
Revenues	5,772.0		5,617.7	
Expenditures	−6,563.4		−5,958.1	
Budgetary deficit (−)		**−791.4**		**−340.4**
Non-budgetary transactions (excluding unmatured debt transactions) (net)—				
Receipts and credits	804.5		398.5	
Disbursements and charges	−492.1		−351.9	
Net amount received from non-budgetary transactions (excluding unmatured debt transactions)		**312.4**		**46.6**
Overall cash requirement (−) to be financed by increase in debt or decrease in cash balances		**−479.0**		**−293.8**
Net increase in unmatured debt outstanding in the hands of the public—				
Unmatured debt—				
Bonds	907.1		367.8	
Treasury bills	−50.0		−190.0	
Securities investment account	24.0		−23.6	
Sinking fund	−0.8		68.3	
		880.3		**222.5**
Net increase or decrease (−) in Receiver General bank balances		**401.3**		**−71.3**

The increases or decreases in the government's assets and liabilities have been described in detail in the section entitled "Statement of Assets and Liabilities of Canada". On the assets side the non-budgetary transactions consist, for the most part, of loans and advances to, and repayments by, Crown corporations and other government agencies and funds (including the old age

security fund), national, provincial and municipal governments, international organizations, veterans and other borrowers. On the liabilities side they relate mainly to receipts and payments in connection with the many deposit and trust accounts, and annuity, insurance and pension funds held or administered by the government.

The preceding table summarizes both the budgetary and non-budgetary transactions for 1961–62 and indicates how they affected the government's cash position. For purposes of comparison the corresponding figures for 1960–61 are also shown.

As the table shows, non-budgetary receipts and credits for 1961–62 (excluding unmatured debt transactions) totalled $804 million while non-budgetary disbursements and charges (also excluding unmatured debt transactions) were $492 million, resulting in a net receipt of $312 million. As the budgetary deficit was $791 million, $479 million required financing by an increase in unmatured debt or a decrease in cash balances. In 1960–61 there was a net receipt of $46 million from non-budgetary transactions and a budgetary deficit of $340 million resulting in $294 million having to be financed by an increase in unmatured debt or a decrease in cash balances.

Non-budgetary receipts and credits

Non-budgetary receipts and credits, as already indicated, amounted to $804 million in 1961–62 as shown in the following table:

TABLE 59
(in millions of dollars)

Non-Budgetary Receipts and Credits	Fiscal year ended March 31			
	1962 (estimated)		1961	
Repayments of loans, investments and working capital advances (net)—				
Exchange fund account	241.0		−64.0	
Northern Ontario Pipe Line Crown Corporation	2.9		−2.2	
United Kingdom (1946 loan)	17.1		16.7	
Special loans to India and Ceylon (re purchase of wheat from Canada)	5.0		3.5	
Other national governments (Export Credits Insurance Act)	15.2		15.2	
Old age security fund	17.3		10.7	
Provincial governments	8.5		5.6	
Unemployment insurance fund	67.0		−67.0	
Other	9.9		7.8	
		383.9		−73.7
Net government annuities account receipts—				
Premium receipts less payments to beneficiaries	−9.0		−2.4	
Interest paid by government	46.0		44.6	
		37.0		42.2
Net insurance and pension accounts receipts—				
Employee contributions less payments to beneficiaries	37.8		30.3	
Government contributions	107.6		88.7	
Actuarial deficiency in the public service superannuation account			137.7	
Actuarial deficiency in the Royal Canadian Mounted Police superannuation account	3.5			
Interest paid by government	112.0		96.4	
Old age security fund	6.7			
		267.6		353.1
Net decrease in unamortized loan flotation costs		9.8		20.3
Net increase in current and demand liabilities		73.3		48.5
Net increase in uninvested portion of unemployment insurance fund		0.4		−5.2
Net increase in deposit and trust accounts		27.8		−3.0
Net receipts from sundry other accounts		4.7		16.3
		804.5		398.5

Non-budgetary disbursements and charges

Non-budgetary disbursements and charges totalled $492 million in 1961–62 as shown in the following table:

TABLE 60

(in millions of dollars)

Non-Budgetary Disbursements and Charges	Fiscal year ended March 31			
	1962 (estimated)		1961	
Loans, investments and working capital advances (net)—				
Agricultural commodities stabilization account	38.5		−30.5	
Atomic Energy of Canada Limited	2.6		1.5	
Canadian Broadcasting Corporation			3.0	
Canadian National Railways	76.4		−116.5	
Canadian Overseas Telecommunication Corporation	2.7		9.1	
Central Mortgage and Housing Corporation	198.0		192.0	
Defence production revolving fund	17.5		−5.0	
Export Credits Insurance Act (sec. 21A)	8.0			
Farm Credit Corporation	54.0		40.1	
International organizations (subscriptions to capital)	29.7		26.3	
National Capital Commission	9.3		7.4	
National Harbours Board	6.6		11.4	
Northern Canada Power Commission	5.2		5.4	
The St. Lawrence Seaway Authority	10.0		24.0	
Veterans Land Act advances	12.3		14.5	
Other	7.2		16.2	
		478.0		198.9
Net disbursements from special defence account		3.0		−1.0
Net increase of cash in hands of collectors and in transit		4.5		−7.3
Unamortized portion of actuarial deficiency in the public service superannuation account				137.7
Unamortized portion of actuarial deficiency in the Royal Canadian Mounted Police superannuation account		3.5		
Adjustment to net debt in respect of C.N.R. 1958 deficit				7.5
Other		3.1		16.1
		492.1		351.9

Summary

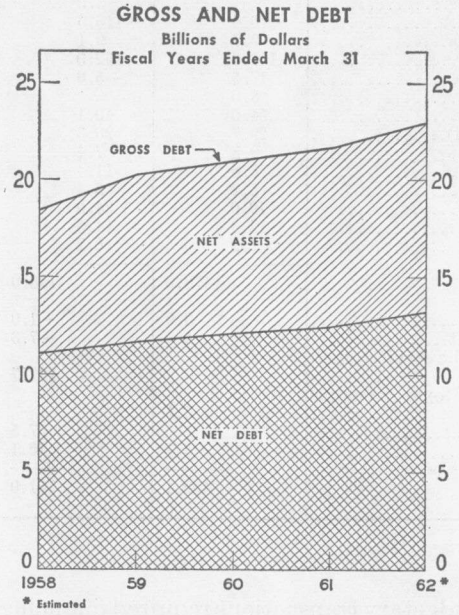
In summary, as budgetary and non-budgetary transactions required financing in the amount of $479 million, and unmatured debt outstanding in the hands of the public (after taking into account transactions in the purchase fund, securities investment and sinking fund accounts) increased by $880 million, cash balances on deposit with the banks increased by $401 million.

6. THE PUBLIC DEBT

Gross and net debt

The gross debt of Canada amounted to $22,867 million as at March 31, 1962. Unmatured debt, including treasury bills, in the amount of $16,925 million accounted for approximately 74 per cent of the total. The remaining liabilities, consisting of current and demand liabilities, deposit and trust accounts, annuity, insurance and pension accounts, undisbursed balances of appropriations to special accounts, deferred credits and sundry suspense accounts, aggregated $5,942 million or approximately 26 per cent of the total debt.

The net debt of Canada was $13,229 million as at March 31, 1962, an increase of $791 million over the net debt at March 31, 1961. Total liabilities increased by $1,264 million to $22,867 million and net assets by $473 million to $9,638 million at March 31, 1962.



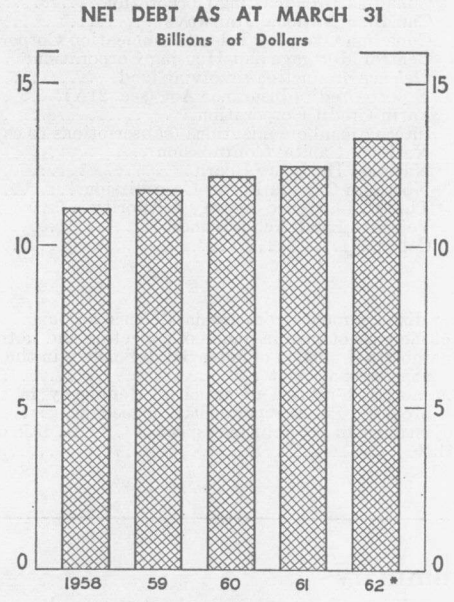


TABLE 61

STATEMENT OF PUBLIC DEBT, UNMATURED DEBT, RECORDED NET ASSETS AND NET DEBT OF CANADA
(in millions of dollars)

As at March 31	Gross Public Debt			Less recorded net assets	Net debt	Increase in net debt during fiscal year
	Unmatured debt	Other liabilities	Total			
1958	14,245.1	4,173.4	18,418.5	7,372.2	11,046.3	38.6
1959	15,574.1	4,675.8	20,249.9	8,571.5	11,678.4	632.1
1960	15,890.1	5,096.3	20,986.4	8,897.2	12,089.2	410.8
1961	16,067.9	5,534.9	21,602.8	9,165.7	12,437.1	347.9
1962 (estimated)	16,925.0	5,941.8	22,866.8	9,638.3	13,228.5	791.4

Unmatured debt

The total unmatured debt of Canada at March 31, 1962 totalled $16,925 million, $857 million more than at the end of the previous fiscal year. The government's holdings of its own securities were $95 million, comprised of $77 million in the securities investment account and $18 million in the sinking fund account. This was a decrease of $23 million over the comparable figure

at March 31, 1961 when holdings were $101 million in the securities investment account and $17 million in the sinking fund account.

The decrease in the securities investment account was due to the cancellation of $320 million of the holdings therein of the government's own issues, offset in part by the net result of other transactions in the account in the amount of $296 million.

In accordance with the announcement by the Minister of Finance in the budget speech of June 20, 1961, a purchase fund was established during the fiscal year to assist in the management of the public debt. Purchases of securities were:

$11 million 4¼ per cent bonds due September 1, 1972;
$53 million 5½ per cent bonds due October 1, 1975;
$7 million 3¼ per cent bonds due June 1, 1976;
$8 million 3¾ per cent bonds due January 15, 1978;
$15 million 3¼ per cent bonds due October 1, 1979;
$70 million 4½ per cent bonds due September 1, 1983 and
$2 million 3¾ per cent bonds due March 15, 1998.

Of these securities, $61 million were cancelled in November, 1961 and the balance of $105 million cancelled prior to the fiscal year-end and unmatured debt reduced by similar amounts.

Of the total unmatured debt, $16,795 million or more than 99 per cent was payable in Canada, $98 million in New York and $32 million in London.

Summary of security issues and maturities, redemptions, conversions or cancellations

During the year ended March 31, 1962 the government issued securities payable in Canada in the principal amount of $3,451 million (excluding the refunding of treasury bills which mature weekly) and redeemed, converted or cancelled issues payable in Canada in the amount of $2,594 million.

TABLE 62
(in millions of dollars)

Unmatured Debt Transactions	Fiscal year ended March 31			
	1962 (estimated)		1961	
Balance at beginning of year		16,068		15,890
New issues—				
For cash—				
Canada savings bonds series 14			64	
Canada savings bonds series 15	67		851	
Canada savings bonds series 16	989			
Marketable bonds	1,350		200	
Non-marketable bonds (Unemployment Insurance Commission)	162			
	2,568		*1,115*	
By renewals and conversions—				
Marketable bonds	883		1,416	
	3,451		2,531	
Less—				
Matured marketable bonds	−498		−998	
Redeemed non-marketable bonds (Unemployment Insurance Commission)	−109			
Conversions	−883		−497	
Canada savings bonds redeemed or matured	−568		−496	
Treasury bills (net)	−50		−190	
	−2,108		*−2,181*	
Unmatured marketable bonds (purchased and cancelled)	−486		−172	
	−2,594		−2,353	
Increase in unmatured debt		857		178
Balance at end of year		16,925		16,068

Net sales of Canada savings bonds 1961, series 16, as at March 31, 1962, totalled $989 million and additional sales of Canada savings bonds 1960, series 15, during the year were $67 million. Redemptions of Canada savings bonds series 6 to 15 totalled $568 million. The net increase during the year for all series was $488 million and the amount outstanding and unmatured for all series at March 31, 1962, $4,044 million.

The amount of treasury bills outstanding at March 31, 1962 was $1,885 million, consisting of $1,235 million in three-month bills and $650 million in six-month bills. The March 31, 1961 balance was $1,935 million, consisting of $1,235 million in three-month bills, $650 million in six-month bills and $50 million in special 366-day bills.

TABLE 63

DEBT MATURED, REDEEMED, CONVERTED OR CANCELLED DURING THE FISCAL YEAR ENDED MARCH 31, 1962 (estimated)

——	Matured	Redeemed	Converted	Cancelled prior to maturity	Total
One-year treasury bills	50,000,000				50,000,000
3% 1958/59–61	200,000,000		(1)100,000,000		300,000,000
3% 1958–61	245,059,000		(2)525,000,000	455,000	770,514,000
3% 1944–62	53,473,150				53,473,150
3% 1961–62			(3) 90,000,000		90,000,000
3% 1960–62			(4)110,000,000		110,000,000
2¼% 1950–68				41,419,000	41,419,000
3¼% 1954–76				49,165,500	49,165,500
3¼% 1953/58–78				33,641,500	33,641,500
3¼% 1954–79				48,728,500	48,728,500
3¼% 1956–98				51,870,000	51,870,000
3¼% 1958–65				832,500	832,500
4¼% 1958–72				79,505,000	79,505,000
5¼% 1959–75				56,580,000	56,580,000
4½% 1958–83				123,619,500	123,619,500
5¼% 1959–62			(5) 57,920,000		57,920,000
5¼% 1960–63			(6) 226,000		226,000
Canada savings bonds S.6–15		567,500,000			567,500,000
3¾% non-marketable bonds (Unemployment Insurance Commission)		108,500,000			108,500,000
	548,532,150	676,000,000	883,146,000	485,816,500	2,593,494,650

(1) $50,000,000 exchanged for 3% loan due May 1, 1962; $50,000,000 exchanged for 4% loan due May 1 1964.

(2) $50,000,000 exchanged for 3½% loan due December 15, 1962; $100,000,000 exchanged for 3% loan due August 1, 1962; $100,000,000 exchanged for 4% loan due December 1, 1964; $75,000,000 exchanged for 4½% loan due December 15, 1966; $100,000,000 exchanged for 3¼% loan due October 1, 1964; $100,000.000 exchanged for 4¼% loan due June 1, 1967.

(3) $25,000,000 exchanged for 3% loan due August 1, 1962; $15,000,000 exchanged for 4½% loan due December 15, 1966; and $50,000,000 exchanged for 4¼% loan due January 15, 1968.

(4) $60,000,000 exchanged for 4½% loan due December 15, 1966; and $50,000,000 exchanged for 4¼% loan due January 15, 1968.

(5) Exchanged for 5½% loan due October 1, 1975.

(6) Exchanged for 5½% loan due April 1, 1976.

TABLE 64

NEW SECURITIES ISSUED DURING YEAR ENDED MARCH 31, 1962 (estimated)

Description	Price to government	Yield at price to government	Total amount issued	Renewals or conversions included in amount issued	Amount issued for cash
			$	$	$
Issued to general public—					
Marketable bonds—					
(1)Loan due Oct. 1, 1975, 5¼%.....			57,920,000	57,920,000	
(2)Loan due April 1, 1976, 5½%.....			226,000	226,000	
(3)Loan due May 1, 1964, 4%.....	98 25	4.63	110,000,000	50,000,000	60,000,000
(4)Loan due Dec. 15, 1962, 3¼%.....	98.75	4.35	200,000,000	50,000,000	150,000,000
(5)Loan due May 1, 1962, 3%.....	99.25	3.77	190,000,000	50,000,000	140,000,000
(6)Loan due Aug. 1, 1962, 3%.....	99.75	3.29	225,000,000	25,000,000	200,000,000
(6)Loan due Aug. 1, 1962, 3%.....	99.70	3.31	110,000,000	75,000,000	35,000,000
(7)Loan due Dec. 1, 1964, 4%.....	99.00	4.32	240,000,000	100,000,000	140,000,000
(8)Loan due Dec. 15, 1966, 4½%.....	99.25	4.66	175,000,000	175,000,000	
Loan due June 1, 1963, 2¾%.....	99.00	3.44	175,000,000		175,000,000
(9)Loan due Oct. 1, 1964, 3¼%.....	98.80	3.70	250,000,000	100,000,000	150,000,000
(10)Loan due June 1, 1967, 4¼%.....	99.50	4.35	100,000,000	100,000,000	
Loan due April 1, 1963, 2¾%.....	99.15	3.47	150,000,000		150,000,000
Loan due April 1, 1963, 2¾%.....	99.15	3.56	150,000,000		150,000,000
(11)Loan due Jan. 15, 1968, 4¼%.....	99.50	4.35	100,000,000	100,000,000	
Non-marketable bonds—					
Unemployment Insurance Commission, 3¾%.....	100.00	3.75	161,500,000		161,500,000
Canada savings bonds—					
Nov. 1, 1960—Nov. 1, 1970, 4–5%, series 15.....	99.00		67,000,000		67,000,000
Nov. 1, 1961—Nov. 1, 1971, 4½–5% series 16 (net).....	98.75		988,958,000		988,958,000
			3,450,604,000	883,146,000	2,567,458,000

(1)In exchange for 5¼% loan due Oct. 1, 1962.
(2)In exchange for 5¼% loan due April 1, 1963.
(3)$50,000,000 in exchange for 3% loan due May 1, 1961.
(4)$50,000,000 in exchange for 3% loan due Dec. 1, 1961.
(5)$50,000,000 in exchange for 3% loan due May 1, 1961.
(6)$100,000,000 in exchange for 3% loan due Dec. 1, 1961.
(7)$100,000,000 in exchange for 3% loan due Dec. 1, 1961.
(8)$75,000,000 in exchange for 3% loan due Dec. 1, 1961; $60,000,000 in exchange for 3% loan due June 15, 1962 and $40,000,000 in exchange for 3% loan due May 1, 1962.
(9)$100,000,000 in exchange for 3% loan due Dec. 1, 1961.
(10)In exchange for 3% loan due Dec. 1, 1961.
(11)$50,000,000 in exchange for 3% loan due June 15, 1962 and $50,000,000 in exchange for 3% loan due May 1, 1962.

Interest rates

The average interest rate on the government's unmatured debt at March 31, 1962 was 3.91 per cent the same as at the end of the previous fiscal year.

The yield on three-month treasury bills at tender on March 29, 1961 was 3.21 per cent. It rose to 3.34 per cent on April 13, 1961, was 2.26 per cent on August 31, 1961 and rose to 3.12 per cent on March 29, 1962.

The yield on six-month treasury bills at tender on March 29, 1961 was 3.37 per cent. It rose to 3.49 per cent on April 13, 1961, was 2.53 per cent on November 10, 1961 and rose to 3.29 per cent on March 29, 1962.

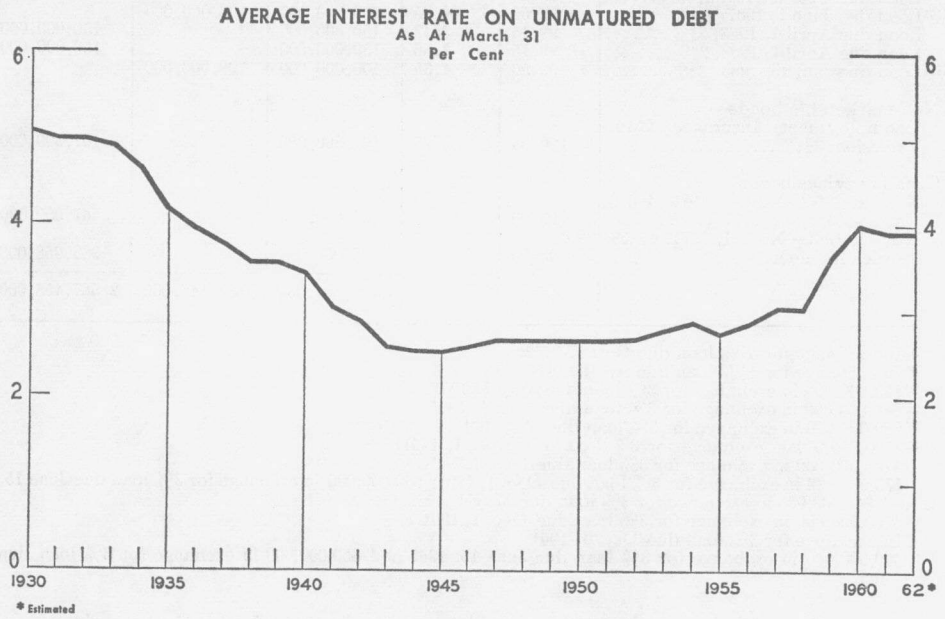
The following table shows the high and low yields together with the yield on the latest issue of three-month bills for the fiscal years 1957–58 to 1961–62 inclusive, and for six-month bills for the fiscal years 1959–60 to 1961–62 inclusive.

TABLE 65

TREASURY BILL YIELDS AT TENDER

Fiscal year ended March 31	High	Low	Last issue
	per cent	per cent	per cent
Three-month bills—			
1958	4.08	2.27	2.27
1959	4.30	0.87	4.30
1960	6.16	3.01	3.01
1961	3.95	1.68	3.21
1962	3.34	2.26	(1)3.12
Six-month bills—			
1960	6.87	3.23	3.23
1961	4.07	1.99	3.37
1962	3.49	2.53	(1)3.29

(1)At tender on March 29, 1962.



Indirect debt or contingent liabilities

In addition to the direct debt set out in the statement of assets and liabilities, the government has assumed certain indirect or contingent obligations. These consist of securities of the Canadian National Railways, guaranteed as to principal and interest or as to interest only, and a number of miscellaneous guarantees, the chief of which are the guarantee of insured loans made by chartered banks and other approved lending institutions under the National Housing Act, 1954, deposits maintained by the chartered banks in the Bank of Canada, bank advances to the Canadian Wheat Board, advances under the Export Credits Insurance Act and bank loans under the Farm Improvement Loans Act.

The government's liability under its guarantee of loans under the National Housing Act, 1954 was $3,562 million at December 31, 1961 compared with $3,025 million at December 31, 1960.

TABLE 66

SUMMARY OF INDIRECT DEBT OR CONTINGENT LIABILITIES AS AT MARCH 31, 1962

	Amount outstanding March 31, 1962 (estimated)
	$
Bonds and debenture stock guaranteed by the government—	
Railway securities guaranteed as to principal and interest—	
Canadian National 2¾% due February 1, 1963	250,000,000
Canadian National 5½% due December 15, 1964[1]	198,981,000
Canadian National 3% due January 3, 1966	35,000,000
Canadian National 2¾% due January 2, 1967	50,000,000
Canadian National 4½% due April 1, 1967[1]	72,750,000
Canadian National 5% due May 15, 1968[1]	56,400,000
Canadian National 2¾% due September 15, 1969	70,000,000
Canadian National 2¾% due January 16, 1971	40,000,000
Canadian National 5½% due December 15, 1971[1]	19,000
Canadian National 3¾% due February 1, 1974	200,000,000
Canadian National 2¾% due June 15, 1975	6,000,000
Canadian National 5% due May 15, 1977[1]	85,950,000
Canadian National 4% due February 1, 1981	300,000,000
Canadian National 5¼% due January 1, 1985[1]	99,500,000
Canadian National 5% due October 1, 1987[1]	171,500,000
	1,636,100,000
Railway securities guaranteed as to interest only—	
Grand Trunk 5% debenture stock, perpetual	51,442
	1,636,151,442
Other outstanding guarantees and contingent liabilities—	
Deposits maintained by the chartered banks in the Bank of Canada	696,007,777
Loans maintained by approved lending institutions under National Housing Acts prior to 1954 Act	Indeterminate
Loans made by lenders under Part IV of the National Housing Act, 1954, for home extensions and improvements	9,131,768
Insured loans made by approved lenders under the National Housing Act, 1954	3,553,231,426
Guarantees to owners of returns from moderate rental housing projects	Indeterminate
Insurance and guarantees issued or approved under Sections 21 and 21A of the Export Credits Insurance Act	352,614,290
Loans made by chartered banks under the Farm Improvement Loans Act	44,968,111
Loans made by chartered banks under the Veterans' Business and Professional Loans Act	129,045
Loans made by chartered banks and credit unions under the Fisheries Improvement Loans Act	127,790
Loans made by chartered banks under the Prairie Grain Producers' Interim Financing Act, 1956	32,789
Loans made by chartered banks under the Prairie Grain Loans Act	3,127
Loans made by chartered banks under the Small Businesses Loans Act	2,558,227
Loans made by chartered banks to the Canadian Wheat Board	113,555,146
Loans made by chartered banks to the Canadian Wheat Board pursuant to the Prairie Grain Provisional Payments Act	10,572
Loans made by chartered banks under the Prairie Grain Advance Payments Act	8,672,245

[1] The original amounts issued were as follows: 1964 maturity $200,000,000; 1967 maturity $75,000,000; 1968 maturity $60,000,000; 1977 maturity $90,000,000; 1985 maturity $100,000,000; 1987 maturity $175,000,000; these amounts were reduced by $1,000,000, $2,250,000, $3,600,000, $4,050,000, $500,000 and $3,500,000 respectively through the operation of the company's purchase fund and $19,000 of the 1964 maturity was exchanged for a like amount of 5½% bonds due December 15, 1971.

7. SUPPLEMENTARY DETAILED TABLES

REVENUES

EXPENDITURES

ANNUAL CHANGES IN LOANS AND INVESTMENTS

UNMATURED DEBT

The Budget—Appendix

STATEMENT OF REVENUES FOR THE LAST FIVE FISCAL YEARS

(in millions of dollars)

—	1957–58	1958–59	1959–60	1960–61	1961–62 (estimated)
	$	$	$	$	$
TAX REVENUES					
Income tax—					
Personal [1]	1,499.8	1,353.5	1,566.6	1,711.2	1,800.0
Corporation [1]	1,234.8	1,020.6	1,142.9	1,276.6	1,205.0
On dividends, interest, etc., going abroad	64.3	61.2	73.4	88.2	115.0
	2,798.9	*2,435.3*	*2,782.9*	*3,076.0*	*3,120.0*
Excise taxes—					
Sales tax [1] [2]	703.2	694.5	732.7	720.6	774.0
Other excise taxes—					
Automobiles	72.3	59.3	64.3	59.6	25.4
Beverages (soft drinks)	0.6				
Candy and chewing gum	0.7				
Cigarettes, tobacco and cigars	142.4	148.0	185.5	193.7	221.7
Electric power export	1.4	1.2	1.3	1.6	1.4
Jewellery, watches, ornaments, etc.	5.3	5.6	5.6	5.9	5.7
Matches and lighters	0.9	0.9	0.8	0.8	1.1
Television sets, radios, tubes and phonographs	16.9	17.8	17.8	15.9	17.6
Toilet preparations	6.3	6.8	7.7	8.4	8.9
Wines	2.7	3.1	3.0	3.2	3.5
Sundry commodities	1.4	1.2	1.2	1.1	1.2
Interest and penalties	0.6	0.5	0.6	0.8	0.5
Less refunds	−0.7	−2.6	−0.4	−0.3	−11.0
	250.8	*241.8*	*287.4*	*290.7*	*276.0*
Customs import duties	498.1	486.5	525.7	498.7	539.0
Excise duties—					
Spirits	83.7	96.5	102.4	108.5	113.7
Beer	88.2	83.1	90.7	91.0	95.6
Cigarettes, tobacco and cigars	131.7	141.2	146.2	149.6	158.3
Licences	[3]	[3]	[3]	[3]	[3]
Less refunds	−3.5	−4.1	−4.1	−4.2	−4.6
	300.1	*316.7*	*335.2*	*344.9*	*363.0*
Estate tax [4]	71.6	72.6	88.4	84.9	85.0
Miscellaneous tax revenue	0.1	[3]	[3]	[3]	[3]
Total tax revenues	4,622.8	4,247.4	4,752.3	5,015.8	5,157.0
NON-TAX REVENUES—					
Post office—net postal revenue	152.9	157.5	167.6	173.6	180.0
Return on investments	169.4	221.2	239.7	283.8	305.0
Other	103.7	128.6	130.2	144.5	130.0
Total non-tax revenues	426.0	507.3	537.5	601.9	615.0
TOTAL REVENUES	5,048.8	4,754.7	5,289.8	5,617.7	5,772.0

[1] Excluding tax credited to the old age security fund—

	1957–58	1958–59	1959–60	1960–61	1961–62 (estimated)
Personal income tax	135.0	146.4	185.6	229.4	259.0
Corporation income tax	60.7	55.3	91.3	103.5	100.0
Sales tax	175.8	173.6	270.0	270.2	290.0

[2] Net after deduction of refunds and drawbacks as well as transfers to the old age security fund.
[3] Less than $50,000.
[4] Includes duties levied under the Dominion Succession Duty Act.

The Budget—Appendix

STATEMENT OF EXPENDITURES BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS

(in millions of dollars)

—	1957-58	1958-59	1959-60	1960-61	1961-62 (estimated)
	$	$	$	$	$
AGRICULTURE—					
Administration and general	2.6	3.6	3.6	4.4	5.2
Agricultural products board—net operating loss					4.9
Agricultural stabilization board—net operating loss	6.0	15.0	57.7	53.4	23.0
Assistance re storage costs of grain	33.3	38.4	42.3	48.2	49.0
Board of Grain Commissioners	6.3	6.1	6.1	6.3	6.5
Prairie farm emergency fund—deficit	5.9	17.0	12.5	9.2	49.5
Production and marketing branch	20.3	23.2	25.4	29.3	34.0
Contributions to Alberta, Saskatchewan and Manitoba—unharvested crops			4.7	1.4	
Payments to western grain producers		41.3		40.5	40.5
Freight assistance on western feed grains	17.5	20.0	23.8	19.2	16.7
Premium on hog and lamb carcasses suitable for export to United Kingdom	5.5	6.9	8.2	6.6	7.2
Rehabilitation and reclamation projects	12.5	13.5	17.6	20.2	26.6
Research branch	22.0	23.6	25.6	26.2	26.2
	131.9	*208.6*	*227.5*	*264.9*	*289.3*
ATOMIC ENERGY	21.6	26.1	30.1	38.9	35.3
AUDITOR GENERAL'S OFFICE	0.8	0.8	0.9	0.9	1.1
BOARD OF BROADCAST GOVERNORS		0.1	0.2	0.3	0.3
CANADIAN BROADCASTING CORPORATION—					
Grants toward the anticipated operating deficit and capital expenditures of the radio broadcasting and television services	24.4	50.3	61.9	64.9	75.3
International service	1.8	1.9	2.0	1.9	1.7
Payment from the consolidated revenue fund of amounts equal to taxes collected under the Excise Tax Act in respect of radio and television sets and equipment	16.8	9.8			
	43.0	*62.0*	*63.9*	*66.8*	*77.0*
OFFICE OF THE CHIEF ELECTORAL OFFICER	13.6	3.2	0.3	0.6	0.3
CITIZENSHIP AND IMMIGRATION—					
Administration and general	1.9	2.1	2.1	2.4	2.6
Immigration branch	22.1	14.4	11.7	12.3	12.5
Indian affairs branch	27.8	36.4	41.1	46.4	51.0
	51.8	*52.9*	*54.9*	*61.1*	*66.1*
CIVIL SERVICE COMMISSION	3.2	3.5	3.7	4.2	4.7
DEFENCE PRODUCTION—					
Administration and general	10.2	12.1	15.0	18.6	22.4
Production capacity and capital assistance to defence industry	4.8	1.8	2.6	1.8	2.3
	15.0	*13.9*	*17.6*	*20.4*	*24.7*
EXTERNAL AFFAIRS	15.7	17.0	16.9	19.4	22.0
Contributions to international economic and special aid programs	38.0	40.0	57.2	66.8	61.0
Other payments to international organizations and programs	6.7	18.8	23.1	16.8	12.0
	60.4	*75.8*	*97.2*	*103.0*	*95.0*
FINANCE—					
Administration and general	7.6	10.2	10.8	19.9	19.6
Office of the Comptroller of the Treasury	17.5	17.9	18.2	19.8	21.5
Grants to Canada Council	100.0				

STATEMENT OF EXPENDITURES BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS—*Continued*

(in millions of dollars)

—	1957-58	1958-59	1959-60	1960-61	1961-62 (estimated)
	$	$	$	$	$
FINANCE—*concluded*—					
Grants to municipalities in lieu of taxes on federal property	17.5	21.9	22.5	24.5	24.7
Grants to universities	16.6	25.5	26.1	19.0	19.4
Government's contributions, with respect to the superannuation account—					
General	33.8	37.7	40.0	41.4	46.9
Special	44.3				
Payments to provinces—					
Statutory subsidies	20.6	20.6	20.8	20.7	23.5
Tax-sharing arrangements, 1956 act	353.3	423.1	485.4	504.9	502.7
Transfer of certain public utility tax receipts	7.4	8.7	4.8	4.2	6.4
Transitional grant to Newfoundland	1.4	1.0	0.7	0.3	
Additional grants to Newfoundland		13.6	7.3	7.7	8.0
Premium, discount and exchange			0.2		
Public debt charges—					
Interest on public debt	539.2	606.6	735.6	756.7	804.0
Cost of issuing new loans and annual amortization of bond discounts and commissions	27.7	40.8	47.3	40.2	34.9
Servicing of public debt	0.5	0.6	0.5	0.7	0.8
	1,187.4	*1,228.2*	*1,420.2*	*1,460.0*	*1,512.4*
FISHERIES	16.4	17.5	19.9	19.2	24.3
FORESTRY	9.6	9.8	9.9	10.1	15.1
GOVERNOR GENERAL AND LIEUTENANT-GOVERNORS	0.4	0.4	0.4	0.4	0.5
INSURANCE	1.2	1.2	1.2	1.3	1.4
JUSTICE	7.2	7.6	8.1	8.6	9.7
Office of the Commissioner of Penitentiaries	12.7	16.7	19.7	19.1	25.0
	19.9	*24.3*	*27.8*	*27.7*	*34.7*
LABOUR	10.2	14.2	21.1	24.1	85.4
Government annuities—amount required to maintain reserve	1.2	0.2	0.2		
Unemployment Insurance Commission—					
Administration and general	32.5	35.3	35.9	42.1	46.1
Government's contribution	37.8	37.1	45.7	55.1	56.6
	81.7	*86.8*	*102.9*	*121.3*	*188.1*
LEGISLATION—					
House of Commons	5.0	5.6	5.6	6.3	6.3
Library of Parliament	0.3	0.3	0.3	0.3	0.3
Senate	1.5	1.7	1.8	1.9	1.8
	6.8	*7.6*	*7.7*	*8.5*	*8.4*
MINES AND TECHNICAL SURVEYS	18.7	22.7	23.7	27.7	36.8
Dominion Coal Board	8.8	11.3	17.6	19.3	20.0
Emergency gold mining assistance	8.6	9.8	13.1	12.1	12.5
	36.1	*43.8*	*54.4*	*59.1*	*69.3*
NATIONAL DEFENCE—					
Defence forces, army, naval and air services	1,415.0	1,222.7	1,397.1	1,406.0	1,496.5
Defence research and development	78.7	74.4	39.2	41.9	42.9
Government's contributions with respect to Canadian forces superannuation account	49.7	49.5	51.8	40.5	56.0
Mutual aid to NATO countries	118.5	70.7	18.4	14.6	10.2
Pensions—payments under Defence Services Pension Act	5.8	6.0	6.3	6.7	7.3
Other	1.8	2.4	3.8	7.8	9.1
	1,669.5	*1,425.7*	*1,516.6*	*1,517.5*	*1,622.0*

The Budget—Appendix

STATEMENT OF EXPENDITURES BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS—*Continued*

(in millions of dollars)

—	1957-58	1958-59	1959-60	1960-61	1961-62 (estimated)
	$	$	$	$	$
NATIONAL FILM BOARD	4.0	4.3	4.6	4.9	5.2
NATIONAL GALLERY OF CANADA	0.6	0.6	0.7	0.9	1.0
NATIONAL HEALTH AND WELFARE—					
Administration and general	4.5	4.6	4.5	5.1	6.3
National health branch—					
General health grants	34.6	45.9	46.0	48.0	49.0
Government's contributions under the Hospital Insurance and Diagnostic Services Act		54.7	150.6	189.4	284.0
Other	29.8	31.2	30.6	32.4	34.8
Welfare branch—					
Family allowances	437.9	474.8	491.2	506.2	520.9
Old age assistance, blind persons and disabled persons allowances	39.7	49.7	50.6	51.3	51.0
Old age security fund—deficit	103.9	184.0			
Unemployment assistance	8.2	23.9	40.2	51.5	88.0
Other	3.1	3.1	3.0	3.3	3.4
	661.7	*871.9*	*816.7*	*887.2*	*1,037.4*
NATIONAL RESEARCH COUNCIL, including the Medical Research Council	21.6	25.4	31.5	34.4	38.7
NATIONAL REVENUE	67.7	68.8	68.7	73.3	75.9
NORTHERN AFFAIRS AND NATIONAL RESOURCES	41.9	58.0	74.3	74.3	86.5
POST OFFICE	153.3	157.8	165.8	178.4	188.6
PRIVY COUNCIL, including Prime Minister's Office	0.6	1.1	1.4	1.9	4.9
PUBLIC ARCHIVES AND NATIONAL LIBRARY	0.7	0.7	0.7	0.8	1.0
PUBLIC PRINTING AND STATIONERY	3.3	3.5	3.5	3.5	4.1
PUBLIC WORKS	156.6	170.1	158.5	145.9	142.6
National Capital Commission	3.3	4.9	6.2	6.3	8.8
Trans-Canada highway contributions	49.4	51.1	53.2	48.7	42.0
	209.3	*226.1*	*217.9*	*200.9*	*193.4*
ROYAL CANADIAN MOUNTED POLICE	47.4	51.7	52.4	56.0	61.1
SECRETARY OF STATE	4.0	4.4	4.7	4.9	5.1
TRADE AND COMMERCE	17.1	19.9	17.7	21.4	39.5
National Energy Board			0.2	0.4	0.5
	17.1	*19.9*	*17.9*	*21.8*	*40.0*
TRANSPORT—					
Administration and general	3.7	4.0	4.6	5.0	5.8
Air services	90.3	115.4	124.1	133.9	152.0
Canadian Maritime Commission	5.2	5.9	6.7	6.9	11.2
Canal services	8.6	9.7	5.8	6.4	5.3
Marine services	32.8	51.8	53.3	42.7	47.2
Non-active assets—					
National Harbours Board	4.8	4.3	2.0	0.6	5.0
Railway and steamship services	5.7	1.8	3.7	6.2	6.5
Deficits—					
Canadian National Railways	22.1	51.6	43.6	67.5	67.3
Canadian National (West Indies) Steamships Ltd	0.6	1.2			
North Sydney—Port aux Basques ferry and terminals	6.0	5.8	5.8	5.4	7.1
Prince Edward Island car ferry and terminals	2.0	2.0	2.6	2.6	3.1
Yarmouth—Bar Harbour ferry service	0.3	0.2	0.2	0.1	0.1

The Budget—Appendix

STATEMENT OF EXPENDITURES BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS—*Concluded*

(in millions of dollars)

—	1957-58	1958-59	1959-60	1960-61	1961-62 (estimated)
	$	$	$	$	$
TRANSPORT—*concluded*—					
Freight Rates Reduction Act			7.8	20.4	20.0
Interim payments related to the recommendations of the Royal Commission on Railway Problems					50.0
Maintenance of trackage	7.0	7.0	7.0	7.0	7.0
Maritime Freight Rates Act	12.6	13.1	14.3	14.1	12.3
Contribution to the railway grade crossing fund	5.0	15.0	15.0	15.0	10.0
Trans-Canada Air Lines—deficit				2.6	6.5
	206.7	*288.8*	*296.5*	*336.4*	*416.4*
VETERANS AFFAIRS—					
Administration and general	6.2	6.3	6.4	6.7	6.9
Hospital accommodation, additions, alterations and improvements	3.3	3.3	4.5	6.1	5.3
Pensions	145.6	150.7	149.7	150.7	177.6
Provision for reserve for conditional benefits	5.2	4.4	3.8	3.4	3.2
Soldier settlement and veterans land acts	5.6	5.4	5.2	5.2	4.7
Treatment and welfare services	56.4	56.1	52.6	52.6	53.2
Veterans allowances, treatment allowances and other benefits	53.1	60.4	63.2	64.7	81.0
War service gratuities and re-establishment credits	1.8	2.2	2.9	2.9	2.2
	277.2	*288.8*	*288.5*	*292.3*	*334.1*
TOTAL EXPENDITURES	5,087.4	5,364.0	5,702.9	5,958.1	6,563.4

The Budget—Appendix

ANNUAL CHANGES IN LOANS AND INVESTMENTS FOR THE LAST FIVE FISCAL YEARS

(in millions of dollars)

—	1957-58	1958-59	1959-60	1960-61	1961-62 (estimated)
	$	$	$	$	$
Loans to, and investments in, Crown corporations—					
Atomic Energy of Canada Limited	3.2	2.7	0.6	1.5	2.6
Canadian Broadcasting Corporation	−0.3	−27.0		3.0	
Canadian Commercial Corporation			2.0	1.0	
Canadian National Railways	−10.7	199.5	−261.4	−116.5	76.4
Canadian National (West Indies) Steamships Limited	−0.2	−0.3	−0.2	−1.0	
Canadian Overseas Telecommunication Corporation	0.3	0.3	9.6	9.1	2.7
Central Mortgage and Housing Corporation	107.5	335.6	315.1	192.0	198.0
Export Credits Insurance Corporation					8.0
Farm Credit Corporation	14.3	22.0	28.5	40.1	54.0
National Capital Commission	2.1	5.0	10.7	7.4	9.3
National Harbours Board	11.1	20.2	15.8	11.4	6.6
Northern Canada Power Commission	6.7	7.3	12.9	5.4	5.2
Northern Ontario Pipe Line Crown Corporation	70.5	42.8	8.0	2.2	−2.9
The St. Lawrence Seaway Authority	(1)99.2	(1)106.1	(1)33.1	24.0	10.0
Trans-Canada Air Lines		2.5	1.0	1.3	−2.2
Other	0.1		−0.1	0.1	−0.1
	303.8	*716.7*	*175.6*	*181.0*	*367.6*
Loans to national governments—					
United Kingdom—					
The War Appropriation (U.K. Financing) Act, 1942	−30.0	−22.5			
The United Kingdom Financial Agreement Act, 1946	(2)44.2	−16.1	−16.4	−16.7	−17.1
Export Credits Insurance Act	−19.9	−17.9	−17.9	−15.2	−15.2
Special loans to Colombo plan countries to finance the purchase of wheat and flour from Canada	16.2	18.3	0.5	−3.5	−5.0
Other	−1.1	−0.8	−0.6	−0.9	−1.1
	9.4	*−39.0*	*−34.4*	*−36.3*	*−38.4*
Other loans and investments—					
Subscriptions to capital of, working capital advances and loans to, international organizations—					
Canada's subscription to capital of—					
International monetary fund	5.0	−2.6	235.4	15.0	19.0
International bank for reconstruction and development				2.8	2.8
International development association				8.5	7.9
Working capital advances and loans to international organizations	−0.2		−0.1	−0.3	−0.4
Loans to provincial governments	(3)1.0	(4)25.5	−6.0	−5.6	−8.5
Balances receivable under agreements of sale of Crown assets	−4.4	−2.9	−3.1	−3.9	−1.5
Old age security fund	−1.5		28.0	−10.7	−17.3
Unemployment Insurance Commission				67.0	−67.0
Veterans land act advances	−3.2	−3.0	0.6	14.5	12.3
Other	9.4	3.4	−3.4	0.4	5.1
	6.1	*20.4*	*251.4*	*87.7*	*−47.6*
Net total of changes in loans and investments	319.3	698.1	392.6	232.4	281.6

(1) Includes deferred interest.

(2) Deferred interest.

(3) $4 million in overpayments to provinces arising out of 1952 tax rental agreements offset in part by repayments of $3 million.

(4) Loan of $29.5 million to New Brunswick in respect of the Beechwood Power Project offset in part by repayments of $4 million on other loans.

UNMATURED DEBT INCLUDING TREASURY BILLS AS AT MARCH 31, 1962 AND THE ANNUAL INTEREST THEREON

—		Date of maturity	Rate per cent	Amount of loan	Annual interest
				$	$
Payable in Canada—					
Loan of 1961	AT. 3	1962 May 1	3	100,000,000	3,000,000
Loan of 1960	T.41	June 15	3	190,000,000	5,700,000
Loan of 1961	AT. 4	Aug. 1	3	335,000,000	10,050,000
Canada savings bonds 1951	S. 6	Aug. 1	3½	(1) 24,398,250	853,939
Loan of 1959	T.35	Oct. 1	5½	291,821,000	16,050,155
Loan of 1960	T.40	Dec. 1	4¼	140,000,000	5,950,000
Loan of 1961	AT. 2	Dec. 15	3½	375,000,000	13,125,000
Loan of 1959	T.33	1963 Jan. 1	4	100,000,000	4,000,000
Loan of 1960	T.37	Apr. 1	5½	448,072,000	24,643,960
Loan of 1961 and 1962	AT.10	Apr. 1	2¾	300,000,000	8,250,000
Loan of 1961	AT. 7	June 1	2¾	175,000,000	4,812,500
Canada savings bonds 1952	S. 7	Aug. 1	3¾	(1) 26,539,950	995,248
Eighth victory loan	P. 5	Oct. 1	3	223,020,200	6,690,606
Loan of 1960	T.42	Dec. 15	4	300,000,000	12,000,000
Loan of 1961	AT. 1	1964 May 1	4	360,000,000	14,400,000
Loan of 1961	AT. 8	Oct. 1	3½	250,000,000	8,125,000
Loan of 1961	AT. 5	Dec. 1	4	240,000,000	9,600,000
Conversion loan of 1958	T.27	1965 Sept. 1	3¾	1,265,890,600	47,470,898
Canada savings bonds 1953	S. 8	Nov. 1	3¾	(1) 90,721,250	3,402,045
Ninth victory loan	P. 7	1966 Sept. 1	3	245,202,200	7,356,066
Canada savings bonds 1954	S. 9	Nov. 1	3½	(1) 53,397,400	1,735,415
Loan of 1961	AT. 6	Dec. 15	4½	175,000,000	7,875,000
Loan of 1961	AT. 9	1967 June 1	4¼	100,000,000	4,250,000
Canada savings bonds 1955	S.10	Nov. 1	3½	(1) 51,732,400	1,681,303
Loan of 1961	AT.11	1968 Jan. 15	4¼	100,000,000	4,250,000
Refunding loan of 1950	P. 9	June 15	2¾	308,581,000	8,485,978
Canada savings bonds 1959	S.14	Nov. 1	4¼	(1)1,117,117,950	47,477,513
Loan of 1960	T.39	1969 Apr. 1	5½	80,000,000	4,400,000
Canada savings bonds 1956	S.11	May 1	3½	(1) 89,819,650	3,143,688
Loan of 1958	T.24	1970 May 1	3½	200,000,000	7,000,000
Canada savings bonds 1957	S.12	Nov. 1	4¾	(1)663,857,100	31,533,212
Canada savings bonds 1960	S.15	Nov. 1	4	(1)685,889,700	27,435,588
Canada savings bonds 1961	S.16	1971 Nov. 1	4½	(1)988,958,000	42,030,715
Conversion loan of 1958	T.28	1972 Sept. 1	4½	1,287,228,800	54,707,224
Canada savings bonds 1958	S.13	1973 Nov. 1	4½	(1)251,529,800	10,690,016
Loan of 1959	T.36	1975 Oct. 1	5½	122,631,000	6,744,705
Loan of 1960	T.38	1976 Apr. 1	5½	928,000	51,040
Loan of 1954	T.11	June 1	3½	250,834,500	8,152,121
Loan of 1953 and 1958	T. 5	1978 Jan. 15	3¾	216,358,500	8,113,444
Loan of 1954	T.13	1979 Oct. 1	3½	351,271,500	11,416,324
Conversion loan of 1958	T.29	1983 Sept. 1	4½	2,027,929,450	91,256,825
Conversion loan of 1956	T.15	1998 Mar. 15	3¾	198,130,000	7,429,875
Loan of 1936	P. 1	Perpetual	3	55,000,000	1,650,000
Three-month treasury bills			(2)3.12	1,235,000,000	37,791,000
Six-month treasury bills			(2)3.29	650,000,000	21,125,000
Special non-marketable bonds (U.I.C.)			3¾	53,000,000	1,987,500
				16,794,860,200	658,888,903
Payable in London—					
Loan of 1933/34		1963 July 1	3	(3)30,010,702	900,321
Loan of 1938		July 1	3½	(3) 1,978,362	64,297
				31,989,064	964,618
Payable in New York—					
Loan of 1949		1974 Sept. 1	2¾	(4)60,206,000	1,655,665
Loan of 1950		1975 Sept. 15	2¾	(4)37,969,000	1,044,148
				98,175,000	2,699,813
				16,925,024,264	662,553,334

NOTE—Where various rates of interest are applicable during the term of a loan the interest rate in effect at March 31, 1962 has been used.

(1) Estimated.

(2) Rate of discount at tender on March 29, 1962.

(3) Conversion rate $2.80=£1.

(4) Conversion rate $1 Can.=$1 U.S.

HOUSE OF COMMONS

Wednesday, April 11, 1962

The house met at 2.30 p.m.

ROYAL CANADIAN NAVY

ANNOUNCEMENT OF CONSTRUCTION AND PROCUREMENT PROGRAM

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I should like to make a statement concerning a new naval shipbuilding program. Approval has been given for the construction of eight warships of advanced design and the procurement of three modern submarines for the Royal Canadian Navy. These ships will replace existing ships as they reach the end of their useful lives in the next few years.

The warships will be built in Canadian shipyards, the first one being laid down late next year and the others to follow progressively. These ships are being designed by R.C.N. technical staffs and will be known as general purpose frigates, because they will be equipped and armed for a variety of tasks. They will be slightly larger in size than the present destroyer escorts and will perform essentially the same function as the Tribal class destroyers have performed in the past. The ships will have submarine detection equipment and antisubmarine armament of the most modern type, guided missile systems for air defence, and a gun armament for surface to surface action and shore bombardment. The general purpose frigate will thus have a first class antisubmarine capability and also be able to perform a variety of other duties.

Subject to satisfactory completion of negotiations with the British government, the three submarines will be of the Oberon class built in Britain. The Oberon class is the latest type of conventional submarine to be built for the Royal navy. The first of the class was commissioned in November, 1960, the second has since been completed and another nine are under construction for the Royal navy. The cost of these three submarines will be about the same as one of the warships to be built in Canada.

In the training of antisubmarine units constant practice with submarines is necessary to achieve and maintain a high degree of efficiency. The navy at the present time has one submarine, H.M.C.S. *Grilse*, on the west coast, and in addition on the east coast there are three submarines on loan from the Royal navy for training purposes. The three modern submarines to be procured will make a significant contribution to the training of antisubmarine forces both in the Royal Canadian Navy and the Royal Canadian Air Force. The effectiveness of the submarine itself in the antisubmarine role has been greatly enhanced in recent years by the development of new types of armament and detection equipment. The Oberon class submarine is equipped with modern armament and technical equipment for the antisubmarine role. In addition to the training role the submarines will be a valuable complement to the surface fleet and aircraft in undertaking their antisubmarine defensive tasks.

In considering the acquisition of submarines for the Royal Canadian Navy, detailed studies have been made of the possibility of procuring various types of submarines including those propelled by nuclear power. Mainly because of their high cost, but also because of the time required for their construction, nuclear powered submarines were not considered practicable at the present time for the purposes for which submarines are required in the Royal Canadian Navy.

Arrangements have been made for the Royal Canadian Navy to continue its studies of submarine development, in order to keep abreast of technological advances which may make it practicable and desirable to undertake a future program of submarine construction in Canada.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I am sure all hon. members in the house listened with interest to this proposed new construction program for the Royal Canadian Navy. All I wish to say is that in view of the new features involved in this program and the expense, I hope the house will have the opportunity to discuss the

matter and ask questions under item No. 724 of the supplementary estimates, "Operation and maintenance, Royal Canadian Navy".

Mr. Chevrier: Don't be too sure.

[*Later:*]

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Minister of National Defence. Following the statement he made earlier concerning the naval construction program may I ask him whether the cost of this naval construction program, or any part thereof, is contained in the main estimates which have been tabled in this house for 1962-63.

Hon. D. S. Harkness (Minister of National Defence): Yes, Mr. Speaker. The long lead items for the first of these general purpose frigates, which will be laid down next year, are contained in the estimates for the coming fiscal year, the year we are now in.

Mr. Chevrier: Can the minister say what amount that covers?

Mr. Harkness: I could not say without consulting the estimates and the details backing them up, which I think the hon. member probably realizes.

THE SENATE

PROVISION FOR PAYMENT OF RETIREMENT ANNUITY

Right Hon. J. G. Diefenbaker (Prime Minister) 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 payment out of the consolidated revenue fund, to any person who was a member of the Senate on April 6, 1962, but who ceases to be a member at the age of seventy five years or more by reason of an amendment to section 29 of the British North America Act, 1867, of a lifetime retirement annuity equivalent to three quarters of the amount per annum of the sessional allowance he was receiving under the Senate and House of Commons Act at the time when he ceased to be a member.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*FEDERAL NEGOTIATIONS WITH QUEBECAIR LIMITED

Question No. 372—**Mr. Fisher:**

Has the government been negotiating through the Minister of Transport with Quebecair Limited; and, if so, in these negotiations, has the government considered it necessary to obtain a report on the officials and the shareholding of Quebecair Limited; and, who are the directors of this company?

Mr. Balcer: When the supplementary estimates were before the house on March 23 I indicated that the air transport board had made a detailed investigation of the economic position and operations of Quebecair. This of course required full access to all matters pertaining to the organization and operation of this company, but the information provided in this connection was made available to the air transport board on a confidential basis.

*U.S. CURRENCY IN FOREIGN EXCHANGE FUND

Question No. 393—**Mr. Benidickson:**

1. What was the value of U.S. dollars and gold in our foreign exchange fund as of March 31, 1962?

2. What claims contracts and/or other obligations, with a term of 6 months or less, for future deliveries of gold or foreign currencies exist against our exchange reserves?

Mr. Fleming (Eglinton):

1. As indicated in the figures published in the *Canada Gazette* of April 7, 1962, Canada's official holdings of gold and U.S. dollars as of March 31, 1962 amounted to $1,709.4 million in terms of U.S. dollars.

2. The annual reports tabled by the Minister of Finance under the Currency, Mint and Exchange Fund Act since 1953 have provided figures of the over-all position of the exchange fund account from which it is possible to deduce the net amount of forward exchange contracts and overnight contracts outstanding as at the end of each month of the preceding year. It has not been the practice to publish this information on a more current basis.

*SECTION 96A(2), INDIAN ACT—REFERENDA

Question No. 402—**Mr. Howard:**

1. Since September 29, 1961, has any referendum been held among the electors of any Indian band in British Columbia respecting the bringing into force of section 96A(2) of the Indian Act; and, if so, what is the name of each such band, and the results, by ayes and nays, of the referendum therein?

2. What action has been taken, or is planned, with respect to the results of the said referenda?

Mrs. Fairclough: Since the answer to this question involves some two pages of information and statistics, could I have permission to have it printed in *Hansard*?

Mr. Speaker: Is the house agreed?

Some hon. Members: Agreed.

[*Editor's note: The answer referred to above is as follows:*]

Questions

1. Yes, as follows:

Band	Date referendum held	Ayes	Nays
Bonaparte	January 18, 1962	18	2
Lillooet	March 7, 1962	18	4
Massett	February 17, 1962	108	12
Skidegate	February 10, 1962	90	3
Kincolith	December 5, 1961	100	27
Metlakatla	March 15, 1962	29	5
Fort George	November 14, 1961	16	2
Necoslie	November 23, 1961	72	7
Stellaquo	December 12, 1961	23	12
Stony Creek	February 6, 1962	39	18
Canyon City	January 5, 1962	21	5
Gitlakdamix	January 5, 1962	92	20
Greenville	January 5, 1962	96	25
Anderson Lake	December 28, 1961	26	1
Klahoose	February 28, 1962	13	2
Mount Currie	December 29, 1961	140	39
Sechelt	January 4, 1962	76	4
Sliammon	March 14, 1962	32	9
Canim Lake	February 27, 1962	51	8

2. (a) Action has been taken in accordance with subsection 1 of section 96A of the Indian Act and proclamations have been issued declaring subsection 2 of section 96A of the Indian Act to be in force in the Indian reserves belonging to the following bands:

Band	Date of Proclamation
Bonaparte	February 28, 1962
Kincolith	February 16, 1962
Fort George	February 16, 1962
Necoslie	February 16, 1962
Stellaquo	February 16, 1962
Canyon City	February 16, 1962
Gitlakdamix	February 16, 1962
Greenville	February 16, 1962
Anderson Lake	February 28, 1962
Mount Currie	February 28, 1962
Sechelt	February 28, 1962

2. (b) Action has been taken in accordance with subsection 1 of section 96A of the Indian Act. Proclamations bringing subsection 2 of section 96A of the Indian Act into force in the Indian reserves belonging to the following bands are now awaited.

Band: Lillooet, Massett, Skidegate, Metlakatla, Stony Creek, Klahoose, Sliammon, Canim Lake.

*LOANS TO SMALL BUSINESSES

Question No. 422—**Mr. Pitman:**

How many loans were made under the Small Businesses Loans Act (Bill C-40 of last session) in the year 1961, in the following amounts: (a) up to $500 (b) $500 to $1,000 (c) $1,000 to $5,000 (d) $5,000 to $10,000 (e) $10,000 to $15,000 (f) $15,000 to $20,000 (g) $20,000 to $25,000?

Mr. Fleming (Eglinton): The answer is as follows: (a) nil; (b) 119; (c) 1,191; (d) 893; (e) 298; (f) 178; (g) 298.

*INDIANS EMPLOYED IN SURVEYS OF RESERVES

Question No. 425—**Mr. Howard:**

Are any Indians, other than Mr. Joseph Dreaver, employed to survey the Indians of any part of Canada in respect of their reactions and recommendations concerning the findings of the joint committee of the Senate and House of Commons on Indian affairs; and, if so, with respect to each such person what is (a) his name and address (b) the date of the commencement of his employment (c) the terms of his employment (d) his salary (e) his obligation to report his findings both as to content and time (f) his length of employment either actual or estimated (g) the names of the reserves which he has visited during the course of his survey, and the dates upon which he visited each such reserve (h) the procedures and systems which he uses in the conduct of the survey with an indication as to who developed them, and (i) his position, if any, within the Indian community?

Mrs. Fairclough: The answer to the first part of this question is no. The remaining parts are therefore not applicable.

COMMERCIAL COAL SURVEY

Question No. 433—**Mr. Morris:**

1. Is a commercial coal survey being conducted by the fuels and mining practice division of the Department of Mines and Technical Surveys; and, if so, does it involve regular sampling of the commercial products from (a) all Canadian coal mines (b) imported Kentucky, Ohio, Pennsylvania, and West Virginia bituminous coals?

2. Do the size designations of the coals in the survey conform with specifications incorporated in the Canadian government specifications board guide for federal government purchasing departments in publication 18-GP-1A?

3. Are the results of the sampling made known to (a) federal government purchasing departments (b) the general public?

Answer by: **Mr. Flynn:**

1. (a) Yes.
(b) No.

2. The commercial coal survey includes all commercial products produced at the mines (with screens of various sizes and types) whether or not the sizes relate to CGSB specification 18-GP-1A.

3. (a) Yes.
(b) Yes.

*ORDER IN COUNCIL COVERING PRINTING OF BILL OF RIGHTS

Question No. 436—**Mr. Matheson:**

By what order in council did the queen's printer cause to be printed and published 20,000 copies of the illuminated document headed the Canadian Bill of Rights containing part I only of chapter 44, statutes of Canada 1960, 8-9 Elizabeth II, together with a signed quotation from a speech of the Right Hon. John G. Diefenbaker delivered in the House of Commons debates on July 1, 1960?

Mr. Dorion: No order in council authorized, or was necessary to authorize, the printing and publication of the document in question.

MINIMUM WAGE RATE, GOVERNMENT CONTRACTS, RED DEER AREA, ALTA.

Question No. 437—**Mr. Herridge:**

Has the Minister of Labour received a communication from a representative of Burns and Dutton-Poole-Oland advocating an upward revision in the minimum wage rate of labourers on government contract construction work in the Red Deer area, Alberta; and, if so, what were the details of the communication, and what reply has been made by the minister?

Answer by: **Mr. Starr:**

No such communication has been received from a representative of Burns and Dutton-Poole-Oland.

QUESTION PASSED AS ORDER FOR RETURN

*DOLLAR VALUE OF EXPORTS VIA U.S.

Question No. 434—**Mr. Morris:**

What was the total dollar value of exports of Canadian produce to all overseas countries via the United States in each of the years 1952 to 1959 inclusive?

MOTIONS FOR PAPERS

JOHN PAPALIA—RELEASE FROM PRISON

Motion No. 41—**Mr. Martin (Essex East):**

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 and memoranda between the Department of Justice and any other government department or agency, provincial government or provincial government agency, or any other person, regarding the release of John Papalia.

Mr. Bell (Saint John-Albert): We are prepared to accept this motion subject to the reservation that correspondence of a private and confidential nature should not be produced. Documents and correspondence exchanged between a department or an agency or branch thereof and any other department, branch or agency have always been regarded as privileged and should not be produced. When contacted, the province of Ontario did not express any wish against the tabling of the correspondence subject to the above mentioned reservations.

Mr. Speaker: Subject to the reservations expressed, is it the pleasure of the house to adopt the motion?

Motion agreed to.

SALE OF TIMBER, TSIMPSEAN INDIAN RESERVE NO. 2

Motion No. 44—**Mr. Howard:**

That an order of the house do issue for a copy of all correspondence, telegrams, and other documents, other than directives, exchanged between the Minister of Citizenship and Immigration or the Indian affairs branch and any employee or officer of the Indian affairs branch since January 1, 1954, relating to all proposed or actual sales of timber situated on the Tsimpsean Indian reserve no. 2.

Mrs. Fairclough: Mr. Speaker, since these are privileged documents I am sorry I am unable to comply with the request.

Mr. Speaker: Is the hon. member prepared to withdraw his motion?

Mr. Howard: No. It is most necessary to indicate the attitude of the house in this regard.

The house divided on the motion (Mr. Howard) which was negatived on the following division:

YEAS

Messrs:

Herridge	Peters
Howard	Regier
Martin (Timmins)	Winch—6.

NAYS

Messrs:

Aiken	Bell (Saint John-Albert
Aitken, Miss	Belzile
Allard	Best
Allmark	Bigg
Badanai	Bissonnette
Balcer	Boivin
Baldwin	Boulanger
Barrington	Bourbonnais
Baskin	Bourget
Batten	Bourque
Beech	Brassard (Lapointe
Bell (Carleton)	Broome

Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Campbell (Lambton-Kent)
Cardiff
Cardin
Caron
Carter
Casselman, Mrs.
Cathers
Chambers
Charlton
Chatterton
Chevrier
Churchill
Clermont
Coates
Cooper
Creaghan
Crestohl
Crouse
Danforth
Denis
Deschambault
Diefenbaker
Dorion
Doucett
Drouin
Drysdale
Dubois
Dupuis
Eudes
Fairclough, Mrs.
Fairfield
Fleming (Eglinton)
Flemming (Royal)
Flynn
Forbes
Forgie
Fortin
Fournier
Frechette
Garland
Grafftey
Granger
Green
Grenier
Grills
Gundlock
Hales
Halpenny
Hamilton (Qu'Appelle)
Harkness
Hees
Hicks
Hodgson
Horner (The Battlefords)
Howe
Johnson
Jones
Kennedy
Kindt
Knowles
Korchinski
Kucherepa
Lahaye
LaMarsh, Miss
Lambert
Latour
Leduc
Legere
Lennard
Lessard
Letourneau
Macdonald, Mrs.
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLellan
Macnaughton
MacRae
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McIlraith
McIntosh
McLennan
McMillan
McPhillips
McWilliam
Mandziuk
Martel
Martin (Essex East)
Matheson
Matthews
Meunier
Michaud
Milligan
Monteith (Perth)
Monteith (Verdun)
Montgomery
More
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nasserden
Nesbitt
Nixon
Noble
Nowlan
Nugent
O'Hurley
O'Leary
Pallett
Parizeau
Pascoe
Paul
Pearson
Phillips
Pigeon
Rapp
Regnier
Ricard
Richard (Kamouraska)
Richard (St. Maurice-Lafleche)
Roberge
Robichaud
Robinson
Rogers
Rompre
Rouleau
Rynard
Simpson
Skoreyko
Slogan
Small
Smith (Calgary South)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Starr
Stearns
Stefanson
Stewart
Tardif
Taylor
Thomas
Thompson
Thrasher
Tremblay
Tucker
Valade
Walker
Webb
White
Winkler
Wratten—188.

INSTRUCTIONS RESPECTING PRINTING OF BILL OF RIGHTS

Motion No. 49—**Mr. Matheson:**

That an order of the house do issue for a copy of all instructions given to the queen's printer and to the draftswoman, Yvonne Diceman, for the preparation and printing of the illuminated document headed "The Canadian Bill of Rights".

Mr. Dorion: Mr. Speaker, no written instructions were given to the draftswoman for the preparation of the document in question. The plans she submitted were accepted by a committee of officials of the Department of Public Printing and Stationery. Since the papers requested by the hon. member to be produced do not exist, perhaps he would be agreeable to withdrawing the motion.

Order discharged and motion withdrawn.

CASTLE HILL RESTORATION, PLACENTIA, NFLD.

Motion No. 51—**Mr. Carter:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence between the provincial government of Newfoundland and the historic sites and monuments board of Canada since January 1, 1961, with reference to the restoration of Castle Hill at Placentia, Newfoundland, as a national historic site.

Mr. Hamilton (Qu'Appelle): I have had a talk with the hon. member for Burin-Burgeo and he has agreed to accept all this correspondence directly, rather than go through the formality of an address to His Excellency. In the circumstances I would ask that the motion be withdrawn.

Order discharged and motion withdrawn.

BUSINESS OF THE HOUSE

INQUIRY AS TO LEGISLATIVE PROGRAM BEFORE EASTER RECESS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I wish to ask if the Prime Minister is in a position at this time to deal with the question I asked him yesterday about the order of business and the Easter recess.

Right Hon. J. G. Diefenbaker (Prime Minister): I would say to the hon. gentleman in answer to his question of yesterday, as to whether I would follow the normal course at this time of the session and inform the house what measures the government hopes to have passed before the Easter recess, as well as their order of priority, that for today,

as the house knows, there are three items, Nos. 1, 2 and 3 on the order paper. After having dealt with them we intend to cover the additional list of legislative measures on the order paper.

As to the question of priority—and I am saying this without desire to be in any way provocative—I regret the slow progress being made. After the business announced for today is disposed of, we will deal with the redistribution and Senate measures. Then, as the hon. member for Bonavista-Twillingate pointed out, the supplementary estimates and appropriation bill have to have attention. We shall then be in a position to resume the budget debate.

So far as the business for next week is concerned, that will be announced in due course. At the moment it is proposed that the pre-Easter session, in any event, should conclude on April 19. I am most anxious to secure attention for the items I have mentioned, particularly the redistribution measure and the Senate measure, and then of course the supplementary estimates.

I might add that the Leader of the Opposition asked whether there was anything else to come before the house. Two resolutions will be placed on the order paper in respect of certain recommendations made by the O'Leary commission. They will be under the name of the Minister of National Revenue.

Mr. Pearson: In thanking the Prime Minister for his information might I ask him when he expects the house to resume after the Easter recess?

Mr. Diefenbaker: Well, Mr. Speaker, time will tell.

Hon. Lionel Chevrier (Laurier): As a supplementary question to the Prime Minister, does he intend to put the usual motion on the order paper for the Easter recess?

Mr. Diefenbaker: I can only say to the hon. gentleman that when we have concluded the matters to which I have referred I think we should have sufficient time to make any motion that will be appropriate, having regard to all the circumstances.

(Translation):

CANADIAN NATIONAL RAILWAYS

NATION-WIDE USE OF BILINGUAL CHEQUES

On the orders of the day:

Mr. Roger Parizeau (Lake St. John): Mr. Speaker, I wish to address a question to the Minister of Transport. Could he inform us whether, following representations made by Conservative members, the Canadian National Railways intend to issue bilingual cheques throughout this country, thus following the example set by the government of Canada?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, knowing the untiring interest of the hon. member for Lake St. John in the cause of bilingualism, it gives me great pleasure to inform the house that at my suggestion, the C.N.R. will in future, issue all their cheques in both languages.

(Text):

NATIONAL DEFENCE

POLITICAL ACTIVITIES OF MEMBERS OF MILITIA

On the orders of the day:

Hon. D. S. Harkness (Minister of National Defence): On Monday, April 9 the hon. member for Kootenay West made certain allegations in the guise of a question in the following form:

> Does the minister know that the C.O., Lieutenant Colonel Reynolds, and Major Lee, officer commanding the 17th field squadron of the 8th field regiment R.C.E. (militia), demanded that a captain and two N.C.O.'s resign their membership in the New Democratic party and submit proof of their resignations to him in writing?

I have now had a report in connection with this matter, and the facts are not just as they may have been made to appear by the question. The situation is as follows. The officer referred to is a chaplain who is attached to the 17th field squadron and who happens to be the local federal candidate for the N.D.P. The only request made to him was that he should refrain from political activity in the armoury. That was all. Such activity, as I stated in the house on Monday, is not permitted on any property occupied by a military unit. I understand that the C.O. has since received a written request from this officer to resign from the militia.

The two N.C.O.'s in question are both on full time call-out duty relating to the special militia training courses. A report was received late in March by the C.O. that some effort was being made prior to a military parade to influence other members of the militia unit in favour of the N.D.P. This was considered by the C.O. as being contrary to regulations. It was also drawn to the attention of the C.O. that the senior of the two N.C.O.'s had been elected president of a newly formed New Democratic party club, and that the other N.C.O. had been made chairman of the membership committee in the same club.

In view of these circumstances both men were given the option of ceasing their political activities or withdrawing from their duties in the militia. Both have since withdrawn from their active offices in the N.D.P.

I think I should make it clear that service regulations forbidding active participation in

the affairs of any political organization or party apply to all members of the regular forces whether on or off military establishments. The regulations with respect to members of the reserve forces apply to such activities on service establishments or when engaged in strictly military duties.

[*Later:*]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I was very interested in the minister's report, and I do not believe it is a true report—

Mr. Grafftey: Question.

Some hon. Members: Withdraw.

Mr. Speaker: Order. The hon. member has probably temporarily overlooked the rule of the house that the answers which are given to oral questions are not subject to comment. They may be elucidated by further questions, but they cannot be commented upon.

An hon. Member: That is right.

Mr. Herridge: I was coming to that.

Mr. Speaker: The hon. member is quite out of order in making a flat statement of that kind which relates to the report the minister gave to the house. It may be a matter for question or debate at the appropriate time, but certainly not on orders of the day.

Some hon. Members: Withdraw.

Mr. Herridge: Mr. Speaker, I withdraw any implication that the minister gave me an untrue answer consciously. I should say, to correct my approach to this question, that I believe the minister's answer is based on false information. My question of two days ago was based on a letter from the chaplain, who is the Anglican vicar of the Kootenay lakes in Creston. Does the minister think he does not tell the truth

Some hon. Members: Oh, oh.

Mr. Speaker: I think the hon. member is seeking to argue about the information rather than to get more information, which is not appropriate at this time.

Mr. Harkness: Mr. Speaker, I think the hon. member has cast a serious implication on the officers of this unit and of western command in the statements he has made, and I think he should withdraw—

An hon. Member: No.

Mr. Harkness: —the implication that he has cast on their honesty. I think it is most unfair that any member of this house should say that officers in Her Majesty's service have given false reports, as the hon. member has done.

Some hon. Members: Hear, hear.

Mr. Herridge: A supplementary question, Mr. Speaker. Does the minister know that this lieutenant colonel—

Mr. Speaker: Order. The minister has put the proposition to the hon. member for Kootenay West that what he has said is unfair, and has asked the hon. member to withdraw the implication of his statement. I will give the hon. member the floor to indicate what he wishes to do.

Mr. Herridge: I refuse to withdraw. I believe that the information I have received is correct and true. I have had other experiences in this regard.

Mr. Grafftey: You can't back out.

Mr. Chevrier: Mr. Speaker, may I direct a question—

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Winch: Mr. Speaker, I would ask the minister to withdraw his aspersions against a member of the clergy.

Mr. Harkness: Mr. Speaker, I think it was absolutely clear from what I said that I cast no aspersions on any member of the clergy. I gave a factual report of what was the exact situation, and it is the hon. member for Kootenay West who has been casting aspersions on the honesty of other people involved.

Mr. Grafftey: Demagogic nonsense.

(Translation):

UNEMPLOYMENT INSURANCE

QUEBEC—REPORTED THREAT TO CEASE PAYMENTS

On the orders of the day:

Mr. J. N. Tremblay (Roberval): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Is the minister aware of the fact that, in the last few days, people in my constituency have been getting anonymous telephone calls warning them that the Quebec government intends to interrupt payment of the allowances they are receiving under the federal-provincial unemployment assistance program or to conduct closer investigations in this regard, should these people support the Conservative government in the next election?

Could the minister reassure the people concerned in this matter?

An hon. Member: The culprits are Union Nationale supporters.

Inquiries of the Ministry

(Text):

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, certainly I have never heard of any such action, and actually no such action would be taken.

REQUEST FOR NUMBER OF CLAIMANTS RECEIVING BENEFITS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of Labour. My question is based on the reply which I received to a starred question on April 4, as reported at page 2485 of *Hansard*. My question was:

What was the total number of active claimants for unemployment insurance benefits, as of February 28, 1962?

I was told by the parliamentary secretary to the minister that the information was not then available. I now wish to ask the minister whether he or his office staff have made any attempt to secure the figures, which normally are available within three or four weeks after the last day of each month.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I do not know how accurate that last statement is, but to the first part of the question the answer is no.

Mr. Robichaud: A supplementary question, Mr. Speaker. Could the minister confirm or deny that the total number of active claimants at that date exceeded 700,000?

Mr. Starr: Mr. Speaker, I do not know where the hon. member gets these figures—

Mr. McIlraith: Why don't you give them?

Mr. Herridge: Mr. Speaker, I would like to ask—

Hon. Paul Martin (Essex East): A supplementary question—

Mr. Speaker: If the hon. member is willing to defer, I will hear the supplementary question.

Mr. Martin (Essex East): Mr. Speaker, may I ask the Minister of Labour, in view of the fact that this parliament is going to be dissolved shortly, as the Prime Minister indicated—

An hon. Member: How do you know?

Mr. Martin (Essex East): —if he will arrange to give us this information within the course of the next few days.

Mr. Starr: Mr. Speaker, the first part of the statement made by the hon. member for Essex East is news to me, but if he wants any information of that nature which involves statistics, all he has to do is put a question on the order paper—

[Mr. Tremblay.]

Some hon. Members: Oh, oh.

Mr. Starr: —and the answer, if available, will be given, as has always been the practice.

Mr. Martin (Essex East): Seven hundred and eighteen thousand.

TRANSPORT

PARRY SOUND, ONT.—CHANGE IN LOCATION OF MARINE AGENCY HEADQUARTERS

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Transport. Is the minister's department considering any change in the location of the headquarters of the Parry Sound marine agency?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, there is absolutely no basis for this suggestion. The agency at Parry Sound is going to stay there, and there is no intention on the part of the department to move the agency from there.

RICHELIEU WATERWAY—REFERENCE TO INTERNATIONAL JOINT COMMISSION

On the orders of the day:

Mr. Maurice Johnson (Chambly-Rouville): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Could the minister tell the house whether the Richelieu waterway inquiry has now been referred to the international joint commission?

Mr. Chevrier: The minister answered that.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the Canadian government has submitted a proposal that is now under consideration by the United States department of state. I hope agreement will be reached very shortly. This joint submission will then be submitted to the commission.

(Translation):

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): A supplementary question, Mr. Speaker. Is the minister aware that if he had referred the survey for that important project as early as 1958 as we suggested, he could now give the results of such a survey, instead of hoping to be able to submit the proposal to an international commission?

Mr. Pigeon: It could also have been referred to it ten years ago.

An hon. Member: It could have been twenty years ago.

(Text):

SHIPPING

ST. LAWRENCE RIVER—GOVERNMENT ACTION IN DISPUTE RESPECTING PILOTS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Labour and ask the minister whether he has had an opportunity of looking at the questions which were put to him the day before yesterday concerning the work stoppage and the dispute between the pilots and the shipping federation. Is the minister now in a position to state whether or not that work stoppage is legal?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the Minister of Transport has fully explained the situation in so far as the pilots are concerned. I have nothing to add to his explanation. This matter does not come under the provisions of the Industrial Relations and Disputes Investigation Act. The pilots, being under certificate from the government, hold a relationship with the shipping people and the government through the Department of Transport. This is not the ordinary relationship of employer and employee. The precise nature of the relationship has been described by the Minister of Transport. It is not a matter to be elucidated under the industrial relations act.

As to whether or not this stoppage constitutes a strike within the legal definition of the term, or whether or not this is a legal strike, I certainly do not intend to give a ruling at this time. In fact, in putting his question the hon. member is asking me to give a legal opinion, which I suggest would be most improper for me to do.

(Translation):

Mr. Maurice Johnson (Chambly-Rouville): Mr. Speaker, I should like to ask the Minister of Transport a question.

Has the minister any report to make to the house with regard to progress made in the settlement of the pilots' strike?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, this morning I met the three pilot spokesmen. We discussed the situation for several hours. I am having another meeting with them this afternoon. I must say that we did make some progress; we reviewed the position, and I am confident that the issue will soon be settled to the advantage of all parties concerned and of the public in general.

Hon. Lionel Chevrier (Laurier): Could the minister tell us what the situation is regarding the investigation on all questions relating to pilotage, which he mentioned yesterday and which was to be discussed by the shipowners, the pilots and the minister's colleagues?

Mr. Balcer: Mr. Speaker, I do not think it would be proper to give any detailed information regarding the talks we had this morning. I do not believe it would be in the public interest to give particulars on any point raised during that discussion. All I can say at this time is that we started negotiations and are pursuing them.

Mr. Johnson: Mr. Speaker, I have another question—

(Text):

Mr. Speaker: Is the hon. member asking a supplementary question?

Mr. Johnson: No.

Mr. Speaker: The hon. member for Springfield.

INDIAN AFFAIRS

STATUS OF INDIANS VOTING IN FEDERAL ELECTION

On the orders of the day:

Mr. Joseph Slogan (Springfield): I should like to direct a question to the Minister of Citizenship and Immigration. In view of the concern expressed by a number of Indian bands in Manitoba as to the effect of voting in any federal election on the rights of Indians under treaty and on their status as Indians under the Indian Act, could the Minister of Citizenship and Immigration give an unqualified assurance that the status and rights of Indians will not in any way be affected if they exercise the right to vote conferred on them by the legislation passed in this house in 1960?

Mr. Speaker: The question is, strictly speaking, not in order because it asks the minister to interpret legislation. However, this may be a matter on which the minister's view is desired to be known, and I would not stand in the way on a technicality.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I am reasonably sure that most members of this house would wish to have placed on the record such an assurance as the hon. member seeks, because we do not want the Indians to be under any misapprehension as to their rights and the protection of those rights. I have prepared a short answer to the hon. member's question, of which he gave me notice, and with your permission, Mr. Speaker, I shall read it.

I am glad to be able to give the assurance asked for by the hon. member without qualification or reservation of any kind. As a matter of fact, that assurance has already been given in writing to a number of Indians

who have written in to inquire about the matter. I should like to state for the record, so there will be no possibility of misunderstanding on the point, that the rights of Indians under treaty and the rights of Indians not under treaty are not in any way diminished or affected by the legislation passed in 1960, which conferred on persons of Indian status the right to vote in federal elections. The legislation in question takes nothing at all away from the Indians; instead, it confers an additional right or benefit, the right to vote in exactly the same way as any other citizen of Canada.

I shall be glad to provide a written assurance along these lines to any chief or band council who desires to have this official assurance; and if any hon. members wish a letter to this effect I shall gladly provide them with a letter also.

PARLIAMENT BUILDINGS

WEST BLOCK—COMPLETION OF RENOVATIONS

On the orders of the day:

Mrs. Jean Casselman (Grenville-Dundas): I should like to direct a question to the Minister of Public Works. Would the minister tell the house how soon the west block will be completed and whether it would have been cheaper to have torn it down and rebuilt it, rather than carrying out the renovations presently under way?

Hon. D. J. Walker (Minister of Public Works): The west block will be completed by the end of 1963. The estimated cost of tearing down and rebuilding the structure would have been approximately $7,390,000, whereas the amount of the contract for the work presently being carried out is $5,088,000. So the present undertaking is, of course, $2,300,000 cheaper.

LABOUR CONDITIONS

CANADAIR—INQUIRY AS TO POSSIBLE LAY-OFFS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Labour and ask him if he is aware that, as announced in the morning press, some 1,200 workers are going to be laid off at the Canadair plant. Would the minister tell us what steps he proposes to take to avert these lay-offs?

Mr. Churchill: In 1963.

An hon. Member: Try next year.

Hon. Michael Starr (Minister of Labour): I have not seen this report. Of course I shall have to look into the situation and see what the circumstances are. Certainly we shall do everything possible to alleviate any hardships which may occur.

(Translation):

Mr. Chevrier: I should like to direct a supplementary question to the Minister of Defence Production.

Could the minister inform us whether he sees some prospect of contracts for CL-44 aircraft, built by Canadair, to avoid the lay-off of those 1,200 workers?

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, there are some possibilities of selling further CL-44 aircraft. As a matter of fact, discussions are going on in various places, more particularly in the United States and in three European countries. We hope that before too long other sales of CL-44 aircraft will be concluded, which will necessitate further construction work and prevent the lay-off of several hundred workers for some time to come.

(Text):

ANNUAL HOLIDAYS FOR GOVERNMENT ANNUITIES REPRESENTATIVES

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Yesterday the hon. member for Burnaby-Coquitlam stated that many people working on a commission basis now receive annual holidays with pay. He asked for an explanation why Canadian government annuities representatives are not in receipt of annual holidays with pay.

While some persons paid on a commission basis may receive an annual vacation with pay in some form, I cannot state with certainty that the practice is as widespread as the question of the hon. member would indicate. Detailed information in this matter is not available from the regular annual survey conducted by the Department of Labour. The annuities agents employed under the provisions of the Government Annuities Act are not employees and hence do not come under the Annual Vacations Act. They conduct their work on their own time and are, in effect, in business for themselves. Arrangements are made for their vacations from time to time to suit their own convenience.

(Translation):

TRANSPORT

SOULANGES CANAL—INQUIRY AS TO TRANSFER TO QUEBEC

On the orders of the day:

Mr. Marcel Bourbonnais (Vaudreuil-Soulanges): Could the Minister of Transport tell us whether he has received any answer from the government of the province of Quebec about the Soulanges canal?

Hon. Leon Balcer (Minister of Transport): Not yet, Mr. Speaker.

Mr. Valade: They are not in any rush.

(Text):

HOUSE OF COMMONS

BELLECHASSE CONSTITUENCY—REQUEST FOR REPORT ON INVESTIGATION

On the orders of the day:

Mr. Guy Rouleau (Dollard): I should like to ask the Acting Minister of Justice if he is in a position to reply to the question I put to him yesterday.

Hon. W. J. Browne (Acting Minister of Justice): I have made inquiries and I find that no report has yet been received. The investigation is still continuing.

(Translation):

BRIDGES

MONTREAL—INQUIRY AS TO DISCUSSIONS WITH CIVIC RESPRESENTATIVES

On the orders of the day:

Mr. Maurice Johnson (Chambly-Rouville): Mr. Speaker, I should like to direct a question to the Minister of Transport. Could the minister tell the house the result of the discussions that were to take place this morning between representatives of the federal and provincial governments about the abolition of the toll charges on the Jacques Cartier and Victoria bridges?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, a meeting was held this morning at eleven o'clock between the representatives of the federal government, namely the vice-chairman of the national harbours board, the assistant deputy minister of the Department of Transport, and the delegate from the provincial government, namely the deputy minister of highways, and the representative from the city of Montreal, Mr. Gerry Snyder, member of the executive council. That meeting was held at eleven o'clock and I have not yet received any report about the discussions.

[*Later*]

Mr. Balcer: Mr. Speaker, I forgot to say that a representative of the treasury board also attended that meeting.

(Text):

PENITENTIARIES

BRITISH COLUMBIA—CONSTRUCTION OF BUILDING TO HOUSE CONVICTED DOUKHOBORS

On the orders of the day:

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, the hon. member—

Mr. J. R. Garland (Nipissing): Mr. Speaker—

Some hon. Members: Hear, hear.

Mr. Garland: I wonder, Mr. Speaker, if you would see the Minister of Public Works.

Mr. Speaker: I shall be glad to try to fulfil both intentions at once. The minister has been very patient.

Mr. Walker: Thank you, Mr. Speaker, for seeing me. This has been better than the 5BX exercises.

I am always anxious to answer quickly the questions asked by the hon. member for Vancouver East. In reply to the question he put to me yesterday I would point out that drawings for a camp in the Agassiz area to confine Doukhobors convicted under the Criminal Code are under way. The housing units which will provide the bulk of the accommodation are prefabricated huts obtained on loan from the Department of National Defence.

The erection of the huts and the provision of services together with a perimeter security fence, are being undertaken on a day labour basis, with materials being obtained under the local tender call system and subcontracts for specialized work, such as heating, being awarded following competitive bidding.

AIR TRANSPORT

REVISION OF REGULATIONS RESPECTING CHARTER AIRCRAFT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Transport and ask whether the government proposes to change the regulations relating to charter aircraft and more particularly to reimpose controls on licensing of class IVB aircraft? Perhaps I should have put the question to the Minister of Trade and Commerce. In view of the fact that I have given the minister only a short notice, he may wish to take this as notice.

Hon. Leon Balcer (Minister of Transport): I wish to thank the hon. gentleman for having given me notice of this question. In answer I wish to say that we are keeping all our regulations, both under the air transport board and in the department, under continuous review. If any changes are made they will be announced in the usual fashion in due course.

THE BUDGET

REQUEST FOR PORTIONS OF SPEECH NOT DELIVERED IN HOUSE

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I trust I will not add to the sadness of the Minister of Finance if I ask him to give to

the members of the house, privately at any rate, those portions of his budget speech which he did not deliver last night.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I shall be glad to furnish the hon. member for his necessary instruction and enlightenment a copy of those portions of the speech prepared for delivery last night which there was not time or opportunity to deliver.

HOUSING

C.M.H.C. CHECK ON FINANCIAL RESPONSIBILITY OF CONTRACTORS

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I wonder whether the Minister of Public Works is in a position today to reply to the question I put to him yesterday.

Hon. D. J. Walker (Minister of Public Works): No, Mr. Speaker.

VETERANS' LAND ACT

AMENDMENTS TO EXTEND QUALIFICATION PERIOD, ETC.

Hon. Gordon Churchill (Minister of Veterans Affairs) moved that the house go into committee to consider Bill No. C-80, to amend the Veterans' Land Act.

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

On clause 1—*Persons deemed honourably discharged.*

Mr. Carter: Mr. Chairman, I have already commended the minister for bringing in this legislation. I now wish to take the opportunity of thanking him for sending the bill to the standing committee on veterans affairs. The study of the bill in committee served two useful purposes. The resolution foreshadowed a great many changes in the legislation. The examination of the bill in committee gave us an opportunity to realize that these changes were more far reaching and, in some cases, more beneficial than would appear from a reading of the measure.

The second purpose served by the study of the bill in committee was to refresh once again our memories as to the excellent work that is being done by the Veterans' Land Act administration. Those who come from provinces where there are only a few veterans taking advantage of this legislation do not have much opportunity of finding out exactly what work is being done. It was beneficial for me and I am sure for all hon. members of the committee to have the officials before us and to have explained certain phases of the splendid work the Veterans' Land Act administration is doing.

This bill received an exhaustive study in the committee. Officials of the administration who were present, explained every clause and answered every question very painstakingly and in great detail. I think practically all the questions that could be asked were asked in the committee and the answers were recorded in the committee report which has now been available to members of the committee for several days. Therefore I do not think it should be necessary to take a great deal of the time of this committee going over that ground again.

I shall conclude these few brief remarks by saying I presume this bill will receive fairly swift passage through committee of the whole.

Mr. Herridge: Mr. Chairman, I shall make a few brief remarks before we start to deal with the various clauses of the bill. As the previous speaker said, the measure was sent to the standing committee on veterans affairs which gave it a good review and examination. The director and the officials of the Veterans' Land Act administration gave excellent explanations and answers to any questions asked by hon. members of the committee. It was a highly satisfactory committee meeting.

I wish to take this opportunity of paying a tribute to Brigadier Rutherford who, according to an announcement made by the Minister of Agriculture on April 6, resigned from the Farm Credit Corporation a few days ago. I mention his name this afternoon because he was responsible for the development of certain policies with respect to the Veterans' Land Act administration.

All large organizations or companies and even the civil service develop some apple polishers and some Charlie McCarthy's, but Brigadier Rutherford was not of that type. He was a man of ideas and purpose, a forceful personality who left his mark on the administration. I see that the parliamentary secretary to the Minister of Veterans Affairs is commenting on my remarks to the officials before him.

Mr. Jones: Mr. Chairman, may I say I am taking no objection whatever to the remarks of the hon. member for Kootenay West; in fact, I welcome them.

Mr. Herridge: Yes, I am sure you do. This type of civil servant should not be allowed to go out to pasture quietly without an opportunity for hon. members of the house to say a few words of tribute relative to his service to the country.

Brigadier Rutherford had an excellent record in world wars I and II, and between wars he farmed. He then took over the administration of the Veterans' Land Act in 1946, if I remember correctly. On one occasion I remember he was generous enough to say that the administration was not as bad as it was supposed to be. At that time I believe there were some unfortunate incidents. To quite an extent I think they were occasioned by the tremendous rapidity with which land had to be purchased and development had to take place before the organization had really become settled down. But when he became director of the organization he threw his experience into the position and was always a very interesting witness before the standing committee on veterans affairs. He produced new ideas. He was not afraid to talk to the Legion organizations and veterans organizations and to seek their support. I think he was primarily responsible for getting the government of the day to accept the principle of counselling so far as credit was concerned. He not only wished the Veterans' Land Act administration to accept this principle but he also suggested that other persons seeking farm credit from governments should have the same opportunity or that the same principles should be carried forward and be available to all the citizens of this country who wished to farm or to undertake agricultural development. It was in that connection he produced this famous book.

I think it is to the credit of Brigadier Rutherford that he produced this farming book which has to do with proposals for counselling on farming. His thesis was proved to be correct by the Veterans' Land Act administration and finally was accepted by the government. Even the Canadian Legion passed a resolution urging that the principles of the Veterans' Land Act in this respect be applied to farm credit generally. This government passed the Farm Credit Corporation legislation and it has been a great success. Brigadier Rutherford was transferred from the Veterans' Land Act administration to the Farm Credit Corporation and to date, without a doubt, it has been a great success because of these principles which are incorporated in the act. We are all pleased to know that Brigadier Rutherford has been succeeded by a very capable director who has equal enthusiasm and zest for the position.

Before taking my seat I wish to bring to the attention of the committee a very excellent article which appeared in the *Family Herald* of March 8 of this year and which I suggest should be read by anyone who is interested in Brigadier Rutherford's achievements with respect to the Farm Credit Corporation and the Veterans' Land Act administration. I shall just mention one or two things which are of interest. It quotes Brigadier Rutherford to this effect:

> Rutherford's army experience left him with a well-tested ability to judge men and a profound respect for teamwork.
>
> "By himself a man can do little," he said recently, "but there is little he can't do if he has the right organization behind him."

The veterans have had the right organization behind them in the Veterans' Land Act administration throughout the years. This article goes on to say this and I quote one paragraph briefly:

> Undoubtedly Rutherford's success in building a competent staff is the main reason for V.L.A.'s good reputation.

He said:

> "Our first job was to establish these men on the land, but we always had it in mind that they might well become pilot models for future developments which were bound to take place."
>
> Rutherford lobbied openly for a civilian counterpart to V.L.A. He approached the farm organizations to solicit their support. On his urging the Canadian Legion several years ago asked the federal government to expand V.L.A. into a general farm credit organization. In 1954, using V.L.A. as a springboard, Rutherford wrote a lengthy exposition on supervised credit obviously intended to arouse support for his ideas.

And so on. I wished to take this opportunity, without appearing to be out of order, to pay a tribute to the foundation that Brigadier Rutherford has laid and also to pay a tribute to the director and his officials who are obviously carrying on the good work by proposing the amendments which are included in the present bill and which, without a doubt, arise out of experience and have been proved to be necessary. We are pleased indeed that the government has introduced this amending bill which will make the Veterans' Land Act administration more useful than ever to the veterans who seek its service.

Miss LaMarsh: I think this is the first opportunity I have taken in the House of Commons to speak with respect to any of the veterans legislation. The point I wish to raise for the consideration of the minister and his department is the extension of the benefits of this legislation and of the other legislation which, as has been so often said, was put on the books in Canada by a country grateful to those who had served her. Everyone in the committee realizes that this was a part of Canada's desire to show those who had risked life and limb or who were willing to risk life and limb that the country was grateful for those efforts. It has, however, in the years since the original passage of the veterans legislation and the other similar legislation, overlooked a not very large but rather important group of men. These men

have formed an association among themselves. They call themselves the corps of civilian firefighters. These were the men who at the request of the Canadian government under General LaFleche formed themselves into a group and went to Britain offering their services both for the United Kingdom and for the continent. They were in fact never taken to the continent but they saw service during the worst part of the buzz bombing in Great Britain. These people volunteered to go to the United Kingdom and to aid in the defence of Britain and also volunteered in the spring of 1944 to go anywhere on any battlefield to assist the liberation armies.

Their purpose, of course, was not to carry on in the normal sense. Their arms were firehose and equipment of that kind which were to protect the mother country and the United Kingdom. The fact that they performed these services well has often been mentioned. They were credited in great part for the saving of not only property but life in the United Kingdom. I think the committee should recall that people of this kind, although in the title described as civilian, were not really civilians. They offered their lives, their limbs and their health. Their term of duty was for the war's duration and they were required to wear uniforms just as were the armed forces. They had comparable ranks and pay and the same allowances for their wives and families. They received the same treatment in respect of medical examination and medical care, pensions, discipline, clothing, feeding, training, right down to such small items as carrying a Canadian army card with their photographs and fingerprints. They received similar discharge certificates on their discharge. Three of these men actually died on active service while they were in the United Kingdom. As to those who remained at the end of the war, who had been advised by General LaFleche when they first enlisted, it was expected that they would be treated the same as other Canadians who had been repatriated following their service. In fact they have not been classed as individuals who had served on active service and thus have had none of the benefits in any way in the public service or the benefits of the other legislation which was passed for veterans.

They have sought repeatedly in representations to the committee—I have reference to the veterans committee of this house—some consideration with respect to a number of matters and have been granted a great many of these. They were finally, after their own representations were heard, granted the $100 clothing allowance. They were given free travel home. There was compulsory re-employment. If they were hurt in the corps while overseas they were granted pensions. They were also given hospital treatment for any injury sustained while they were overseas. They received rehabilitation grants. They were able to participate in veterans insurance if they had been overseas. If they chose, they might receive vocational training. They received $15 allowance for every 30 days spent overseas. Later they received unemployment insurance generally, but they did not receive the benefits with respect to the Veterans' Land Act. Since the passage of this act this class of veterans, civilian although they may have been in name, have been permitted access to the provisions of the Veterans' Land Act only if they were pensioners. However, to the great majority of them the benefits of this act have not been extended. They have requested and still seek from the minister and from the department full recognition as veterans. They have asked for a number of things and one of the things for which they have asked is to be entitled to re-establish themselves as veterans under the provisions of the Veterans' Land Act.

I had the opportunity, Mr. Chairman, of raising this matter very briefly in the veterans affairs committee with a representative of the department. He admitted that this matter has been raised many times. He declined, however, to say what discussions might have been held with the minister, other than the fact that he had made recommendations to the minister in respect of this group. I could not allow the discussion of the general principle of the bill under clause 1 to pass without having attempted to raise my voice and add it to the voices of those who were concerned about these people who may easily be forgotten as the years pass by, since the last hostilities. Certainly, many people in the United Kingdom, who were the front line of our forces for a long time, believe that these qualified, trained men who fought fires and kept their homes and their factories in existence, and who helped to keep the status quo, were in fact front line soldiers. I wish, Mr. Chairman, once again to appeal to the minister to consider the acceptance of this class as a class of veterans entitled to consideration under the Veterans' Land Act as amended.

Mr. Peters: I should like, very briefly, to endorse the remarks made by the hon. member for Niagara Falls and add my voice to hers in support of the admittance of these veterans, the Canadian corps of firefighters, to the benefits of the Veterans' Land Act. Over the years we have all heard representations from the corps, particularly as a result of our personal experience in the last four

years, and we are pleased that the government has given certain recognition to the corps which had been previously denied. The final extension of the rights of these veterans, and certainly they should be classed as such, should be to make the Veterans' Land Act applicable to them.

If these men are in a position to be in receipt of war veterans allowance or war veterans pensions, then they are entitled to the benefits of the Veterans' Land Act. I believe that those who are not in receipt of pensions also should be in a position to take advantage of the Veterans' Land Act.

Now, Mr. Chairman, many hon. members will be very surprised to know the number of these veterans who served in this particular corps. At a recent zone meeting of the Canadian Legion in my area I mentioned the fact that the C.C.F. and New Democratic party had supported this idea over the years, but that we had not done this on the basis that it affected anybody particularly in that area. We had done so on the basis of its being a good thing. I was surprised to be told that in the zone of the Canadian Legion covering the riding of Timiskaming there were 15 or 20 veterans who had served in the Canadian corps of firefighters. I was told there was also a number of members of the Canadian corps of firefighters from the zone representing northern Ontario who had not come back and who had paid the supreme sacrifice for the service they rendered.

I believe the minister would not find the house unsympathetic if he were to suggest now that this further amendment will be implemented, to allow the Canadian corps of firefighter veterans the privileges of the Veterans' Land Act. In passing, I should like to endorse the comments of my leader in tribute to Brigadier Rutherford. I believe that the Canadian public have in the Veterans' Land Act, as a result of the services Brigadier Rutherford rendered the country, a better credit arrangement for all rural agriculture than would have been possible without the experience and leadership of a man like Brigadier Rutherford. It has always been questionable whether or not governments, in giving credit, should supervise that credit. There has been resentment on the part of agriculturists, who are first and foremost individualists, at submitting to any type of credit supervision. I think the pioneer work done by Brigadier Rutherford, and the conscientious method he used in making the credit facilities of the Veterans' Land Act fully understood by those taking advantage of them, went a long way towards making the Veterans' Land Act and the Canadian Farm Loan Act acceptable to these people. I hope the government will retain the services of Brigadier Rutherford for consultation on legislation of this nature. The ideas that he still has would deserve consideration and would be advantageous if implemented. I strongly urge that the government continue to use the services of Brigadier Rutherford in an advisory capacity if in no other way.

Mr. Montgomery: Mr. Chairman, I do not intend to take up much time or repeat the things that have been said by other hon. members who have spoken. However, I should like to join with them in the compliments they have paid to the officials of the Veterans' Land Act and of the veterans department generally. I think that the amendments contained in this bill are very important. As the hon. member for Burin-Burgeo said, the farther we went into the amendments, into the clauses, and as explanations were given, the greater the benefits we discovered in them.

It was not possible, as we were told, for all veterans to be re-established at the same time, that is shortly after the war. There were various reasons for this, one of which was that the costs at that time seemed high. However, as time has gone by costs have risen. This is the reason, as I understand it, the recommendation has come forward and been accepted, to permit all veterans to be re-established if they wish to be.

I suppose that we should not pay too much attention to current rumours, but as chairman of the veterans committee I should like to take this opportunity of thanking all the members of the committee. I do this now in case there is nothing else referred to the committee. I wish to thank the members for their co-operation during this session and in the discussion of this bill. Every member of the committee was exceptionally co-operative. We worked under difficulties at times, but I should like all members to know that I greatly appreciated the co-operation they gave.

I should like also to add to the compliments paid to the area superintendent of the maritimes, who happens to be a friend of mine. A lot of good things have been said about Brigadier Rutherford, the head of the board. I do not want to take anything away from Brigadier Rutherford but I believe he was fortunate in having a lot of good officials associated with him, men who had experience in connection with soldier settlement and the purchase of lands. One of the most outstanding of these is Mr. Scott and I could not let this occasion pass without paying a compliment to my old friend, Charles Scott, for the good work he has done and the guidance he has given in the maritimes.

I am sure that were one to travel across the country from province to province and district to district he would discover that a lot of good men had something to do with the administration of this act. As a matter of fact it is interesting, and I do not think it would be out of place for me to mention, that we have an hon. member of the House of Commons, Mr. Rogers, the hon. member for Red Deer, who formerly had a lot to do with the administration of this act. Members of the house who have not been members of the veterans affairs committee may not realize what a great help he has been to that committee during the last four years in explaining lots of little things that we sometimes did not inquire about when the officials appeared before that committee.

The director and officials who appeared before the committee on this occasion certainly gave us explanations that seemed to satisfy everybody. I do not want to hold up passage of the bill, but there was one statement made by the hon. member for Niagara Falls which I did not get clearly. I rose to ask her a question but she did not notice me. I wonder has she read the evidence given before the veterans affairs committee some three years ago concerning the firefighters? As I understand it, she said that these gentlemen volunteered to fight anywhere in Europe.

Miss LaMarsh: Fight fires.

Mr. Montgomery: I am glad the hon. member has straightened that out because these men did not volunteer to fight with the armed forces in Europe. According to the evidence we got they decided to take another course.

One of the things which they particularly asked for when they appeared before the committee was granting of the right to wear a service ribbon, but the granting of this right did not come within the power of that committee. That is something which has to be decided somewhere else. We cannot grant them that, even though it was the main thing they sought. I understand the great majority of these men are now members of fire brigades and they would appreciate wearing that ribbon. I have nothing to say against their being given that right but, as I say, it is beyond the power of the veterans affairs committee to do so.

Mr. Carter: I just want to reciprocate the kindly sentiments expressed by the hon. member for Victoria-Carleton and to pay tribute to him for his work as chairman of the veterans affairs committee. He has referred to rumours, but there have been other rumours which indicate the hon. member may not be with us at future sessions. Therefore I would not want this opportunity to pass without paying tribute to the fair and impartial way in which he has presided over that committee. It has been a real privilege for me to serve under him, and I know when I say that I am also expressing the sentiments of all other members of the committee.

I should also like to join with him in his tribute to Mr. Charles Scott, whom I have had the pleasure of knowing for a great many years. I associate myself with the hon. member's remarks in paying tribute to his interest in veterans and the good work he is doing for them in the maritimes.

Mr. Jones: I should like to thank the hon. member for Burin-Burgeo on behalf of all other members in the committee for his very gracious tribute to the hon. member for Victoria-Carleton. It was a tribute well deserved and one in which we join with great enthusiasm. Our work together in the veterans affairs committee has been happy work.

Discussions on this bill in the veterans affairs committee were very detailed. I think we would all agree with the hon. member for Burin-Burgeo and the hon. member for Kootenay West, who said that very extensive consideration was given to each clause in the bill. Therefore perhaps it will not be necessary for us to labour too long here today as the points have already been covered.

I should also like to commend the remarks of the hon. member for Kootenay West who paid tribute to the work of Brigadier Rutherford, who did a fine job in the administration of the Veterans' Land Act. He also did a fine job in the Farm Credit Corporation. I have known him for many years and worked with him. As a matter of fact, before becoming a member of parliament I was one of those who produced papers urging the type of credit arrangement which has since been made by the Farm Credit Corporation and is now in effect.

The general supervision which has been provided for veterans under the Veterans' Land Act has proven to be most welcome and has been most helpful in getting the veterans concerned re-established. Although supervision under the Farm Credit Corporation is compulsory only with respect to certain loans, nevertheless those who desire to have the augmented loans, and hence must accept the supervision, have experienced with satisfaction the assistance of the experienced personnel who have been recruited to that organization, many of whom worked in the administration of the Veterans' Land Act. They have performed a real service to the country under the V.L.A. and they are now performing a real service to the country in

the Farm Credit Corporation. We are all indebted to them for the job they are doing and for the leadership they are giving to veterans.

This help which they give means a lot to those faced with the operation of farms in this very different world of 1962, where such great technological changes have taken place during the last 15 years and where there has been a great increase in the cost of land and machinery. These factors have made decisions in respect to the operation of farms more critical than ever before.

I should like to conclude by saying that the views expressed by hon. members today will continue to be given consideration, as was the case in the past, and I thank all hon. members of the committee for the attention they have given to this bill, both here and in the committee on veterans affairs. Finally, I commend again the hon. member for Victoria-Carleton on the very fine job of work he has done over the years in the veterans affairs committee.

Mr. Matheson: I should like to ask the parliamentary assistant a question, and I hope I may do so in no contentious way. I might preface my question by saying that for a number of years since 1949 it has been my experience to process a good many Veterans' Land Act loans and to see the work done under this act at the very lowest echelon among the people of the area in which I reside. Many hundreds of these loans have been made, and while there was always a little complaining that it took time, there was ultimately great satisfaction in these people who had never before owned land and had started out in a proprietorial way in life by learning what it was to meet their obligations with the assistance of V.L.A. When we look at the history of the Veterans' Land Act and what it has done in, say the years 1948 to 1958, we know how beneficial this measure has been. I have in my hand the report "A decade of in-service staff training, 1948-58; the story of 'Operation good earth'," compiled by Mr. S. O. Robinson of the V.L.A. staff training program.

Am I not being fair in concluding that perhaps V.L.A. is moving in the opposite direction to A.R.D.A.? Perhaps this is necessary; perhaps there may be advantages in responsible young men coming out of the services and going on to what appear to be essentially marginal farmlands of perhaps 100 to 300 acres, with a valuation of something like $10,000 or perhaps up to $20,000. I ask the parliamentary secretary, is there really any close co-ordination between the work of this very important department, so important to our veterans and so beneficial to them, and the over-all plans that would appear to have been enunciated by the Minister of Agriculture with regard to the A.R.D.A. program?

Mr. Jones: I thank the hon. member for his question. The Veterans' Land Act will not work against A.R.D.A. Far from it; it will complement, help to support or be one of the components of the general over-all picture of the A.R.D.A. program. The A.R.D.A. program, as the hon. member knows—I do not want to go into a great deal of detail in regard to that matter on this occasion, as I would be out of order—is agricultural rehabilitation and development. Under that act projects which contribute to that end can be organized with the assistance of the provinces and the communities concerned. They use all the facilities at their disposal for rehabilitating areas and people from those areas. Involved in that program is not only farming, in the sense that we know it, but reforestation, pasturage, conservation matters, tourism, and so on. The Veterans' Land Act program would be a useful tool in the total A.R.D.A. concept.

Mr. Churchill: Mr. Chairman, I would just like to take the opportunity of joining with those who earlier paid tribute to Brigadier Rutherford. I do so not only because I became familiar with his very excellent work in V.L.A. several years ago and continued to follow it with a great deal of interest over the years, and have also been aware of his work with the Farm Credit Corporation; but in addition to that I have had a much closer association with him than perhaps other hon. members here today because I was an officer in his brigade in Canada and over in England for some considerable time. If this were the time for reminiscing I could tell some stories about Brigadier Rutherford in which the committee might be interested. But as a brigadier, as a soldier, as a director of the Veterans' Land Act and subsequently the Farm Credit Corporation, Brigadier Rutherford has given very distinguished service to his country and I for one would like to thank him for what he has done.

Clause 1 agreed to.

Clauses 2 to 15 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

CANADA GRAIN ACT

AMENDMENTS RESPECTING MUSTARD SEED AND RAPESEED

Hon. Gordon Churchill (for the Minister of Agriculture) moved the second reading of Bill No. S-19, to amend the Canada Grain Act.

Canada Grain Act

He said: Mr. Speaker, in bringing this bill before the house I think a short statement would be desirable. There are three things designed in the bill; giving statutory effect to the transfer of responsibility for the board of grain commissioners to the Minister of Agriculture; second, establishing statutory grades for mustard seed; and third, redefining the statutory grades for rapeseed.

The production of rapeseed and domestic mustard seed in western Canada has become so well established and has achieved such success in recent years that it is considered advisable to establish a comprehensive range of statutory grades for each of these seeds. A range of grades that are properly related to the commercial requirements of the users will facilitate the handling of and trading in these products, to the greater benefit of the producers and the trade at large.

Commercial grades, as provided for in the Canada Grain Act, are established by the grain standards committee and may be changed by the committee at any time. Conversely, statutory grades are not subject to change, except by act of parliament. It is through the constancy of our statutory definitions that the international status of our grades is so high, coupled with the reputation for our grading system. As the board of grain commissioners has had several years of experience in the handling of mustard seed and rapeseed, a full range of permanent grades for these oilseeds may now be established and given the status of statutory grades.

As regards mustard seed, at the present time only commercial grades have been established; this is, there are no statutory grades. These commercial grades have been in effect since 1947 without any revisions. Through experience it has been found that these grades could work to the detriment of the Canadian producers, by comparison with mustard seed grading standards used by producers elsewhere.

In revising the definitions of grades it is considered appropriate to introduce statutory definitions, thus giving to this seed the acceptance and recognition afforded in world markets to other Canadian grains for which statutory grades have been established and which are now well known and trusted.

In the case of domestic mustard seed, the committee on western grain standards established a complete range of commercial grades, from extra No. 1 to No. 3 Canada western, plus a sample grade and a grade to include mixed classes of mustard seed. The committee did this in 1947, and has continued to re-establish these grades each year since then. There is no reason to doubt that domestic mustard seed will continue to be produced in western Canada, so it follows naturally that grades should be established permanently, by statute.

In the case of rapeseed, the present statutory grades are Canada rapeseed and sample Canada rapeseed. That is, there is no No. 1 grade. It is felt that the stature of the product would be improved by the establishment of a No. 1 grade. Commercial grades known as No. 2 grade and No. 3 grade rapeseed have been in effect since 1957 when a committee was established to make recommendations with regard to this question. The amendment would establish three statutory grades clearly defined so that the buyer would know what he is getting and the producer would be paid accordingly.

I think the bill itself indicates, in the schedules, the alterations which I have outlined with regard to these two oilseeds.

(Translation):

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I think it is only fair to congratulate the government for transferring the Board of Grain Commissioners for Canada to the Department of Agriculture, since it concerns the Minister of Agriculture rather than the Minister of Trade and Commerce.

In the second paragraph of the explanatory notes of this bill we read the following:

> The purpose of this amendment is to establish statutory grades of domestic mustard seed.

In section 2 of the bill, we read the following:

> Schedule one to the said act is amended by adding thereto, immediately before the heading "Rapeseed".

I would ask the minister how it is that in the explanatory notes reference is made to "mustard seed", while in section 2 of the bill reference is made to "rapeseed". Is it a case of misinterpretation or is it because "mustard seed" and "rapeseed" are one and the same thing?

(Text):

Mr. Churchill: If the hon. member would raise that question during the committee stage, perhaps we shall have the answer.

(Translation):

Mr. Deputy Speaker: I think the hon. member would do well to wait until the committee considers the bill in detail to put his question.

Mr. Boulanger: Mr. Speaker, it is indispensable that we know exactly the definition of each term. In my opinion we should know what we are talking about before considering the bill in committee.

(Text):

Mr. Deputy Speaker: There is, I believe, a point of order which arises here. If the minister speaks he will close the debate. He may wish to defer his answer until the other speakers have been heard, or the matter can be discussed in committee.

(Translation):

Mr. Boulanger: Mr. Speaker, it is important we should know the exact meaning of each term in the bill.

If we refer to the bill, we note that in the explanatory notes reference is made to "mustard seed", while in section 2 of the bill reference is made to "rapeseed".

I do not know whether "rapeseed" means "mustard seed", and I should like to know what is the difference between the two.

(Text):

Mr. Churchill: I am not closing the debate—just answering a question. I did suggest that it would be more appropriate to ask this question during the committee stage, but the hon. member persists in raising it on second reading. If he would look at the act as it now stands and read the amendment as it is given here, I think he would understand what is intended. We end up in clause 3 by striking out the heading "rapeseed" and substituting two schedules, schedule A dealing with domestic mustard seed and schedule B dealing with rapeseed. So the situation is perfectly clear.

Mr. Martin (Essex East): Clear as mud.

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I should like to be the last man to delay the passing of this bill, because as early as 1960 I was trying to get a similar bill through the house. Only on January 22 a similar bill of mine received second reading here, but since the hour for voting expired at six o'clock it never came to a vote.

Mr. Peters: It was a lot better bill, too. It made more sense.

Mr. Rapp: This bill was one of the three rapeseed bills I have introduced to the house since I came down here in 1958 and it is also the third bill which the government and the House of Commons have approved. The bill before us this afternoon is an important one because its purpose is to revise the statutory grades of mustard seed and rapeseed. It is in conformity with the suggestions of the board of grain commissioners and also in conformity with the recommendations of the chief grain inspector of that board. As I said at that time, Canada is well known in the world for its high quality of grain, and having this bill will keep the grades of rapeseed pure and clean. We shall now have these grains for which, in due time, Canada will gain an enviable reputation abroad. I am pleased that this bill has received the approval of the other members of the house and it is my hope that the approval of parliament will speedily be given to it.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I believe the government would have been well advised to accept the bill introduced by the hon. member for Humboldt-Melfort-Tisdale which would have accomplished in a clearer way what the government seeks to accomplish by this bill. It may be a case of a private member having more time to work on it and a better understanding of what is required than the government has in its position.

In examining the schedule I am wondering if any consideration had been given to the fact that, although rapeseed has been highly developed both in western and eastern Canada, mustard seed in eastern Canada is considered a noxious weed difficult to eradicate. Where mustard seed is grown on a commercial basis, what will be done to protect those areas where it is designated as a weed, one difficult to control?

In the explanatory notes to the bill I see no requirement to take out seeds similar to mustard seed. These may be part of the screenings we are handling in eastern Canada. This may be an important factor in eastern Canada with respect to poultry feed.

A few weeks ago in this house we had discussions concerning the fact that rapeseed and mustard seed could not be brought under the terms of the wheat board for sale purposes because these classifications are not contained in the Canada Grain Act. Will these commodities now be brought under the terms of the Canadian wheat board for sale and export?

Mr. Churchill: The answer to that is that this is for grading purposes under the board of grain commissioners.

Hon. Paul Martin (Essex East): Mr. Speaker, it remains to make but a few observations on this bill, because when a similar bill was brought in on other occasions by the hon. member for Humboldt-Melfort-Tisdale I said I felt the proposal should be supported on its merits. As the hon. gentleman has previously attested, he received support for his proposal from hon. members of the Liberal party.

It will be recalled when the matter was last before us under that hon. gentleman's auspices we urged the government then to accept the responsibility which it is now belatedly assuming. The government has finally brought forward a bill, not on its own initiative but as a result of the prodding from

members of the Liberal party who urged the government to put in statutory form what had been recommended by one of its own supporters, and which was actually embodied in one of the measures before us.

The Acting Minister of Justice (Mr. Browne) seems to be displeased by that statement, but that is the fact. If he will look at *Hansard* he will find that it is the case, as will be attested to by the hon. member for Humboldt-Melfort-Tisdale.

We pointed out on earlier occasions that the board of grain commissioners had investigated the situation and had recommended what is now before the house. We said that in those circumstances the government could not escape responsibility of either accepting or rejecting those recommendations. In the former case it would be clear, we said, that the government should bring in legislation rather than leave the responsibility to a private member.

The government now comes forward with a bill which was introduced in the Senate on March 28. This bill comes as a result, first of all, of the example set by a private member of the government party, and particularly as a result of the prodding given the government by the Liberal party in urging hon. gentlemen opposite to take an initiative which they should have taken in the first instance.

When the bill was discussed on one other occasion some hon. members supporting the minister took the position that it was undesirable to add mustard seed to the wheat board bill. Certainly that should not be done, it was argued, until such time as the schedule to the grain act had been modified in accordance with what is being done today. We now have the situation that mustard seed is being put in the Canada Grain Act as well as in the Canadian Wheat Board Act where it was put some few weeks ago. It seems to me that those hon. gentlemen who took that position previously did a disservice to the mustard seed growers of Canada as a result of the attitude they adopted.

I have risen primarily at this moment for the purpose of reminding the government of something that has grieved the Acting Minister of Justice. I have risen to say that the government is now doing what the opposition urged it should do and what the hon. member for Humboldt-Melfort-Tisdale took the initiative in doing. The action of the government in deciding to have the board of grain commissioners look into the matter, and the board having made its recommendation, placed an obligation on the shoulders of the government to itself bring in this legislation, and it has done so, belatedly.

[Mr. Martin (Essex East).]

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Martineau in the chair.

Clause 1 agreed to.

On clause 2.

Mr. Peters: Mr. Chairman, will the minister explain why reference is made to mustard seed in the explanation of the bill and to rapeseed in the bill itself?

Mr. Churchill: Yes, Mr. Chairman. I can explain that. I have in my hand volume 1 of the 1952 statutes. Schedule 1 begins on page 61 and runs over to page 74. It is amended on page 74 by adding the heading and grade requirements set forth in schedule A to this bill. This means that in advance of the reference to rapeseed and the schedule now appearing on page 74 would come reference to domestic mustard seed, schedule A, and that would be followed by schedule B which relates to rapeseed.

I grant that it is a little confusing as paragraphs 2 and 3 presently read, but what it amounts to is striking out rapeseed on the small schedule that is there now and inserting the new schedules A and B relating to mustard seed and rapeseed.

Clause agreed to.

On clause 3.

Mr. Peters: Is any consideration being given to this problem of the difference in the maintaining of the planting of this grain and of the seed, particularly mustard seed, and the effect it will have in some parts of Canada? With the designation of mustard as a weed, the conflict will be apparent. Is there protection taken where this conflict arises? In other words, the screenings being brought into certain areas will contain a certain amount of mustard seed which will be domestic, whether it is one of the classifications of oriental, Canada western, Canada western yellow or one of the other designations. In other words, certain types of seeds to which we refer are domesticated, or I presume they are domesticated. Is this control also to be over the other ones that are not domesticated? Is any protection given, or is any consideration being given, to the situation in which there could be a conflict between the wild varieties and the domesticated varieties?

Mr. Churchill: This has been going on for some time. I refer to the production of mustard seed. I have the figures here for 1957 and up to 1962. Any conflict that may appear in the mind of the hon. member now must have arisen in the past. I would consider that the board of grain commissioners would use their customary discretion and caution in seeing that the mustard seed which is delivered to them or which might come into

their possession for sampling would be carefully looked after and not dispersed. The mustard seed which goes into commercial use would be treated in the same way as are other seeds which go into commercial use. I grant that in some areas of Canada mustard is a noxious weed and that people are much more concerned with getting rid of it than with increasing the production of it. The number of acres seeded to mustard in 1961-62 is 142,000 acres. It is not a very large number of acres when you consider the millions of acres that are seeded to wheat, oats and barley.

Mr. Peters: I was just inquiring. There must be a section of the Canada Grain Act, as it is a national act, which gives consideration to the provincial weed laws and the interprovincial movement of grain and which obviously would not be in the section we are discussing at the present time. I was concerned only with the conflict that may arise because of the fact that this is probably the first really commercialized product which could be classified as Canadian grown and which would have this particular feature. Others that may be put in eventually would be such things as poppy seed or something of that nature that may have a similar application. There may be provisions already that would not be contrary to or in conflict with provincial restrictions of movement. By putting this matter under the Canada Grain Act we may upset that. I am not asking the minister to give a decision on it now. I would trust that this matter be given consideration. It may be that a regulation would be satisfactory prohibiting the text of the Canada Grain Act, which we want, from working an undue hardship on some of the provinces that are trying to control this weed in its wild state.

Mr. Rapp: In order to help the hon. member for Timiskaming, may I say that the schedule here deals with tame mustard. If he wishes to come over here I could show him samples of it. What he is worried about is wild mustard. Wild mustard is classified as a weed in the Canada Grain Act. But in schedule A domestic mustard means tame mustard.

Mr. Martin (Essex East): You had better send those samples over to the hon. member.

Mr. Peters: My point here is that tame mustard will be as bad a weed in eastern Canada as is wild mustard if it is growing in places in which you do not want it to grow. It will not make any difference what the grade happens to be. I believe the minister understands the problem to which I have reference. It is only with regard to protection where it would interfere with provincial weed control in certain areas where this matter has been a problem.

Clause agreed to.

Clause 4 agreed to.

Schedule A agreed to.

Schedule B agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the said bill be read a third time? By leave, now?

Some hon. Members: Now.

Mr. Speaker: By unanimous consent, Mr. Churchill, seconded by Mr. Nowlan, moves—

Mr. Martin (Essex East): No.

Mr. Churchill: There is no amendment.

Mr. Martin (Essex East): No.

Mr. Speaker: Next sitting of the house?

Mr. Martin (Essex East): Next sitting of the house.

Mr. Speaker: Next sitting of the house.

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.

HEALTH INSURANCE

REQUEST FOR EXTENSION OF INSURANCE AND DIAGNOSTIC SERVICE BENEFITS

Mr. M. W. Martin (Timmins) moved:

That in the opinion of this house, the government should give consideration to the advisability of introducing a comprehensive system of national health insurance, more particularly to give consideration to the advisability of: (a) amending the Hospital Insurance and Diagnostic Services Act to provide benefits on behalf of patients in tuberculosis sanitaria and patients confined to mental institutions; (b) introducing legislation to provide medical, dental and optical insurance.

He said: Mr. Speaker, I am highly pleased once more to have the opportunity of bringing this matter before the House of Commons. Either I or other members of my party over the years have consistently raised this matter year after year. It is pleasing that, as a result, at least to some extent, of the continual pressure that has been brought to bear by the party to which I belong, we now find that more and more across the country the public are becoming aware of this problem and of the necessity of embarking on some sort of scheme such as that suggested in this resolution.

If we follow this subject in our newspapers we also find that the urgency is increasing as well. The resolution deals with the bringing of tuberculosis patients under the Hospital Insurance and Diagnostic Services Act. We

find that tuberculosis incidence in this country is not only on the increase as far as actual cases are concerned but that, in addition, tuberculosis germs seem to be developing a resistance to the drugs in current use. There is a need for greater research in this field if we do not wish to find that we are slipping in our control of the dread disease tuberculosis in this country. It also contains the idea of bringing mental patients within the confines of our hospital insurance act. It is probably not necessary but I think it might be worth while to remind the house once more that our hospital insurance act is only 50 per cent an act, because 50 per cent of the hospital beds in this country are still taken up by mental patients who do not come under the provisions of this act. This is one of the things this government has failed or neglected to do, in spite of what they said when they were members of the opposition some five years ago.

At the moment, we have a royal commission which is sitting and hearing briefs presented by the various interested groups. It is rather interesting, Mr. Speaker, to check the score in connection with this matter and ascertain who is supporting the idea of national health insurance and who is opposed to it. For example, amongst the people who are supporting this idea we find the 85,000 members of the civil service federation; the 400,000 members of the Canadian Federation of Agriculture, and the one and a quarter million members of the Canadian Labour Congress. These three organizations alone represent a total of approximately 1,735,000 people. So far as I am aware at the moment, and I have followed this matter very closely, we find on the opposition side the 150,000 businessmen in the Canadian Chamber of Commerce; the Metropolitan Life Insurance Company and the Great West Life Insurance Company—possibly they were speaking for other insurance companies, I do not know. I did read excerpts from the brief they presented to this commission. We can add to this number, certainly, the majority of the doctors represented by their organizations across the country, although not all. There is some controversy so far as the doctors themselves are concerned, and some of them favour the idea while others do not.

In the limited time at our disposal, Mr. Speaker, I should like to deal with some of the reasons for embarking upon this suggested program. I will not speak too long because I am sure there are other interested members who would like to say something on this very important subject. Many of these reasons have been repeated many times in this house, so I do not believe there is any necessity for going into them again. They are a matter of record and have been set forth on more than one occasion. From time to time, however, new evidence is presented and I think this should be added to what is already on the record.

For example, I have here an article from the Windsor *Star* of March 19, 1962, which is entitled, "Health Good; Costs High, Almost Everyone Sad." This article reads in part:

> Everyone is unhappy with the nationalized British health service—except, perhaps the patients.

The doctors, the nurses and the druggists are unhappy.

> The drug companies are unhappy—the health service has taken a lot of old remedies off its lists as less effective than other medicines.
>
> The dentists and the opticians are unhappy because they complain they are not making enough money—
>
> But a spokesman for the ministry of health emphasized today that despite the tribulations of the scheme, most of them due to the government policy of refusing pay increases, the state of the nation's health was never better.
>
> When the health plan was introduced in 1948 the British death rate was 12.8 per thousand. In 1960, the last year for which statistics are available, it was 11.6 per thousand, an improvement of nearly ten per cent.

I should like also to put on the record a few remarks made by Kenneth O. Bardwell, federal government electronics engineer. This gentleman was the only individual who presented a brief to the royal commission looking into health insurance. According to this report, he spent approximately six months in preparing this brief. I quote from the article:

> As a Canadian—"I flinch each time some foreign news medium carries a deservedly disparaging article on suffering brought about by medical costs to uninsured or under-insured Canadians."
>
> As the husband of a multiple sclerosis sufferer—"I have spent months of evenings at a local hospital and have met many people whose worst problem is not their illness but the cost of it."

He goes on to criticize the doctors, and he said:

> Their spokesmen tell us no Canadian suffers through inability to pay . . . that there is something essential about our right to be unable to pay the doctor or druggist.

Then, the article goes on:

> He attacked voluntary health agencies. Many of them are self-perpetuating and can be relied upon to oppose any national plan, he said. Often they duplicate resources but will not allow their facilities to be used by a person suffering from another disease.

As I have said, Mr. Speaker, these are the views expressed by people who favour the implementation of a national health insurance plan. Now, in order to be fair, I should like to refer to some of the reasons advanced by persons who are opposed to this plan. We have the submission of the Canadian Chamber of Commerce which states that socialized medicine is not only undesirable but would

damage the freedom of Canadians and the already burdened Canadian economy. Then, they go on to say:

> Income tax regulations should be amended to provide some measure of assistance in mitigating catastrophic illness expenses faced by normally self-supporting persons.

I wonder just how much income tax adjustment would be necessary to offset, to use their own words, the catastrophic costs of illness. In my opinion, the argument seems to be without merit whatever. We also have a reference to the representations made by the two insurance companies to which I referred earlier, the Metropolitan Life and the Great West Life. In a joint brief to the commission currently considering Canada's health needs, these two companies indicated their opposition to any government controlled national health insurance plan. Some of their reasons for their opposition are as follows:

> The right to choose the proper plan from a very wide range designed to meet every type of need—or to reject them all.
>
> Freedom to select the insurer and the method of financing.
>
> The opportunity to reap benefits accruing from competition between insurers.

Then, they spoil their whole argument by their reply to a question asked by one of the members of the commission, and I quote the article as follows:

> In reply to the commission, David E. Kilgour, president of Great West Life agreed some employers require a proportion of new employees to join schemes they operate jointly with insurance companies.
>
> "And you call that voluntary?" asked commission member Dr. O. J. Firestone.

It seems obvious that the interest of these two companies is not the health and welfare of the public but the fact that they would like to run a very profitable business involving the nation's health. We have also complaints from doctors, and we find that most of these complaints are based more on theory than they are on actual fact. If the facts are given, they are very carefully slanted a certain way so that only one side of the picture is seen. For example, I should like to refer to a report appearing in the *Globe and Mail* of March 19, 1962. The headline reads, "Figures Suggest Third of Doctors Leave U.K." The article reads in part:

> Figures suggesting that one third of all doctors trained in British and Irish medical schools emigrate after they have qualified have been published in the British Medical Journal.

Then, the article goes on to say:

> —there are no records to show the number of medical students from overseas who come here for their training. A number undoubtedly do arrive and most of them intend, from the start, to return to practise in their homelands.

I do not know why it is said these figures could not be found because I had no difficulty in finding the figures. I found them in a matter of 20 minutes. We find, for example, that in 1961 out of 12,314 students in British medical schools 2,193 were foreign students. So, the information was not difficult to find.

In addition to that I recall that just a matter of a year or two ago I placed on record in this house the report of a royal commission which sat in Britain, which looked into this matter very completely, and into the opinions expressed by the medical profession in regard to health insurance. One of these opinions was that it would drive doctors out of that field and result in a shortage of doctors. However, the conclusion arrived at by the royal commission was that by 1961 medical schools in Britain would have to cut down by at least 10 per cent the number of students entering them in order to avoid widespread unemployment among doctors in Britain. These are not my words, they are the words of the royal commission and, as I said, I placed them on record in this house a matter of a year or two ago.

Another complaint frequently made with regard to a health insurance plan is that it would interfere with the relationship between doctor and patient. It is never explained very clearly how this would come about, but I am just suspicious enough to wonder if that is not the interference about which at least a number of members of the medical profession are concerned. For example, within the last month or two I saw a report of a case where officers of the income tax division of the Department of National Revenue told a magistrate that a certain doctor had failed to report a total of $51,891.55 from 1953 to 1960. It was stated that, over the years included in the charge, the doctor had been deliberately keeping two sets of books, one set for the auditing firm which compiled his income tax return and one for himself in which he accurately recorded his true income. Certainly such a thing could never happen, or would be much more difficult to accomplish, were a health plan implemented. Indeed I cannot help wondering if that is not one of the major fears with regard to interference.

I also wonder what kind of wonderful relationship would be built up between doctor and patient in the light of another report, which reads as follows:

> About 100 Toronto doctors who have turned their new accounts over to a firm for collection will come under the scrutiny of the Ontario college of physicians and surgeons—
>
> The doctors turn all their bookkeeping and billing over to Professional Services Associates of Wilson ave., who buy the doctors' bills at a 14 per cent discount.
>
> P.S.A. then sends the bill on a printed note headed with "Dear patient" and signed, "Cordially,

your doctor". It does not mention the fact the doctor has sold the account at a discounted rate to the agency.

As I say, I do not know what wonderful doctor-patient relationship can be built up under circumstances such as those.

I should like to give another example of something which, in my opinion, is the wrong way to build up a proper doctor-patient relationship. I quote from the Camp Borden *Citizen* of February 7, 1962, where there is an advertisement headed as follows:

Dr. John B. Scott
Dentist

Circled Pine Shopping Centre, Camp Borden, Ontario

Due to the increasingly large number—

Mr. Speaker: I am not sure what the hon. member proposes to read, but while I did not comment on his argument which seemed to be a bit remote from the resolution involving as it did criticism of the medical profession and its accounting, I think he should not bring names of individuals into the debate on this resolution. It really has nothing to do with the medical profession in general but has to do with the establishment of public services. I may have misapprehended what the hon. member was going to do, but I am sure he will not mind my indicating my view.

Mr. Martin (Timmins): I would like to apologize for using the name. It was not my intention to use this doctor's name. The advertisement reads as follows:

Due to the increasingly large number of delinquent accounts in this office it has become necessary to enforce the following policy with regard to dental treatment. Effective immediately all dental treatment performed in the office ... in Camp Borden will be on a cash basis only as treatment is rendered. This does not apply to treatment of an emergency nature which if necessary will be allowed thirty days for payment. Will those who now have dental appointments and who feel that they will be unable to comply with the above condition please phone the dental office and cancel the appointments.

Please do not ask for treatment on any other basis as this cannot any longer be considered.

I think that points to a very deplorable condition in our country today.

I see my time is just about up but I should like to close with one final complaint which is often expressed whenever one speaks of health insurance. Immediately the hue and cry is raised about the terrible expenses involved. Well, Mr. Speaker, I should like to point out to the house that when a health insurance plan is implemented it does not create very much of a new expense. It may transfer expenses, which are now paid in certain ways, to some other way, but we must keep in mind the fact that health insurance, protecting and maintaining the health of our citizens, costs a lot of money whether it is handled privately or publicly, semi-privately or semi-publicly, or whatever manner it is handled under the myriad of plans we have at the present time.

It will still cost money but there is no additional new expense involved by handling this thing publicly, trying to do it efficiently, and trying to ensure that the health of the nation is not based on the size of one's pocketbook.

Mr. McDonald (Hamilton South): May I ask the hon. member a question?

Mr. Martin (Timmins): Certainly.

Mr. McDonald (Hamilton South): In his proposal would he maintain that the cost of this plan be taken out of general revenues or be met by contributions of the citizens of this country?

Mr. Martin (Timmins): I am glad the hon. member asked that question. I do not believe in the policy of a health insurance plan paid for completely out of the public treasury. It promotes the theory that I object to so much in our society today, the theory that you can get something for nothing. There is no such thing as something for nothing in this country and it is about time the people were told so. I believe the plan should be based on a premium that can be afforded by practically the whole of society. If that premium is not sufficient, then the balance can be taken up in various other ways; but I believe that everyone who has health insurance should pay a premium so that he realizes that what he is getting he is paying for.

Hon. Paul Martin (Essex East): Mr. Speaker, the Minister of National Health and Welfare is in his seat. In view of the limitation of time, if I thought that by giving way to him we could have from him a statement of policy on this important medical care insurance proposal I would readily give way. But I would not give way unless I had been assured by the minister that he is prepared now to announce something that the government said four and a half years ago it was prepared to give the Canadian people.

Mr. Pascoe: Twenty two years.

Mr. Martin (Essex East): Can the minister give us that assurance?

Mr. Cathers: What kind of horse trade is that?

Mr. Martin (Essex East): Somebody asked, "What kind of horse trade is that?" We are going to have an election very soon and as this is going to be one of the issues in the election it would be very interesting to have a statement of policy from the government. The

Minister of National Health and Welfare now has an opportunity to state that policy.

Mr. Monteith (Perth): I would be very happy to listen to you, Paul.

Mr. Martin (Essex East): Mr. Speaker, it is evident that the government has no policy with regard to this matter. All we can do, therefore, is to try and urge the government to give consideration, even at this late date, to matters about which it said it had such an intense interest over a year and a quarter ago.

In discussing this resolution introduced by the hon. member for Timmins we will perhaps want to recall the circumstances of the statement made by the Prime Minister in 1958 with regard to the kind of program the government had in connection with health insurance. It will also be interesting to recall the position taken by hon. gentlemen opposite with regard to paragraph (a) of this resolution, which calls for:

> (a) amending the Hospital Insurance and Diagnostic Services Act to provide benefits on behalf of patients in tuberculosis sanitaria and patients confined to mental institutions;

With regard to the former provision, the Canadian people were led to believe that once this government came into office it would provide, in co-operation with the provinces, a system of medical care insurance. With regard to this matter no progress at all has been made by this government. A year and a quarter ago, following the national Liberal rally which was held in this city and at which was discussed a proposal in the field of medical care insurance put forward by the members attending that rally, the Prime Minister one day, anticipating that discussion, rose in this house and announced the appointment of a royal commission to inquire into the whole matter of medical care insurance. He said he was not in a position then to give the personnel of the royal commission, but the house could be assured that the government was going to appoint the members of that commission with dispatch and the study was going to take place immediately. The implication left was that action would be forthcoming from the government.

What are the facts? The royal commission personnel were not designated until March, some 4½ months after the announcement of the royal commission by the Prime Minister. The chief justice of Saskatchewan was selected as chairman of the royal commission, but a long interval elapsed between his appointment and the appointment of other members of the commission. The royal commission is now on tour; it was on tour with many other royal commissions of this government, such as the recent Bladen commission, about which, by the way, no action was taken by the government in last night's budget.

The royal commission on health services under the direction of Chief Justice Hall has gone from one end of Canada to the other listening to representations from the Canadian Dental Association, the nurses association, and so on. But what we ought to note is that this is another device by this government to postpone consideration of something which it told the Canadian people, when it last appealed to them, it was prepared to undertake.

We will be told by the Prime Minister during the course of the coming election campaign, make no mistake about it, "We are giving consideration to this whole question of medical care insurance. Have we not appointed a royal commission? Do we not now have in existence in this country a group of men under the chairmanship of the chief justice of the province of Saskatchewan who are examining this problem?" The Prime Minister will seek to convey to the Canadian people the great interest of this government in this particular problem, when the fact is that this royal commission, like so many other devices of this government, is nothing but a technique to divert the people from recalling the promise made by this government with regard to medical care insurance, the matter that in principle is now proposed in the resolution introduced by the hon. member for Timmins.

I say that the device of the Hall commission is nothing more than the well known technique of the present Prime Minister to convey to the people of Canada something which is not in accord with the facts and is not in accord with what he told the people of Canada he and his government would do. Yet he talks about having fulfilled his promises, telling the young Conservatives last Saturday night, "We have fulfilled all our promises; did not Peter Newman say so?"

Mr. Macdonnell: Would the hon. member permit a question? Will the Prime Minister in the course of these discussions not be able to say that this government has spent many tens of millions of dollars in redeeming promises of the previous government?

Mr. Martin (Essex East): The hon. gentleman asks, "Will this government not be able to say that it has been doing a great deal in other fields?" I am not talking about other fields right now, nor has this resolution anything to do with other fields. This resolution has to do with medical care insurance and I am now dealing with a promise made to the

Canadian people by this government. I am pointing out that this government has resorted to its well known technique of introducing a red herring, a diversionary tactic, by the appointment of a royal commission; and there is no one who should deplore that more than the hon. member for Greenwood, for whom I have the greatest respect and who I know regards a political promise as something that should be observed.

Let us examine another promise made by this government which arises out of this resolution. The Minister of National Health and Welfare will recall how the present Minister of Finance in particular urged upon the previous administration an amendment to the Hospital Insurance and Diagnostic Services Act to provide for the inclusion under the act of patients suffering from tuberculosis and mental illness.

In response to that request it was indicated that, following a conference held with the provinces it was agreed by the latter that, as the great percentage of tuberculosis and mental illness costs were borne by the provinces, and since the Hospital Insurance and Diagnostic Services Act was intended to provide assistance to individuals and not to relieve provincial governments of their accepted obligations, it was not valid to argue that these two particular illnesses should be included in the Hospital Insurance and Diagnostic Services Act. But that was what the present government urged when in opposition; they urged that mental illness and tuberculosis should be included in the act. How they can resist this resolution in the face of that stand is very difficult indeed to appreciate.

Mr. Martin (Timmins): Would the hon. member permit a question? Can I take it from his remarks that the Liberal party is still of the opinion that they held at the time the present government was urging this change?

Mr. Martin (Essex East): If my hon. friend will recall what I said about this matter two years ago he will appreciate that the situation has changed considerably.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Well, it has. Hon. gentlemen laugh, but their laughter only indicates their lack of comprehension of the facts. The financial situation between the federal government and the provinces has changed greatly. The province of Ontario has entered this field. The province of Ontario is now imposing a 25 cent contribution with regard to tuberculosis patients. The situation is altogether different. But the federal government, notwithstanding that fact, continues to take a position which they urged earlier should have been taken by the previous administration. This government now, because of that fact and because of the promises made by the Prime Minister, again, with regard to this matter, cannot resist the inclusion of mental illness and tuberculosis in the Hospital Insurance and Diagnostic Services Act.

That is another promise which has gone unfulfilled. In spite of that, the Prime Minister went before the young Conservatives in Ottawa last Saturday and said, "Look at all the promises we have fulfilled", forgetting that here are two, among many others, which he and his government have not even touched.

An hon. Member: He is already out making more.

Mr. Martin (Essex East): Somebody says he is out making more, and I suppose that is true. What we must remember is that this subject is one which is of the greatest interest to the Canadian people. They do expect governments on a senior level to take some action with regard to medical care costs.

The Canadian people now have a hospital insurance scheme which runs across this country and which is proving its worth. They are now expecting governments at both senior levels to take action with regard to this matter. We in the Liberal party, having taken the initiative with regard to hospital insurance, having placed that act on the statute books of this country, having obtained the consent of the required number of provinces, which was a fact just before the change of government, can now say that we are prepared to embark on a further stage, in light of the fact that we have placed the Hospital Insurance and Diagnostic Services Act on the statute books.

Here again we find the Prime Minister boasting about what he and his government have done in the field of social welfare. Let it not be forgotten that the additional expenditures in that field which the Prime Minister mentioned on Saturday night included the moneys paid out of the unemployment insurance fund. It was those disbursements which caused the present social welfare expenditures to reach the level indicated by the Prime Minister. The right hon. gentleman forgot, of course, that the moneys paid into the unemployment insurance fund do not represent moneys under the control of the federal government but are moneys paid in by the employers and employees, the main contributors to the fund.

We believe the time has come when the government of Canada, in co-operation with the provinces, should provide a system of responsible medical care insurance so that no individual in this country shall go without

such care on the mere ground of financial incapacity. We have put forward in our contributory old age scheme a plan which meets part of this objective. With regard to the discussion which is particularly current in the United States, with regard to medical care for the aged, we say that not only should we provide financial assistance to the aged but we should also be making provision for the payment of their medical expenditures. Under our contributory plan, which could be put into effect under the present amendment to the British North America Act, we would provide for the medical care of the aged who are not now provided for under provincial or municipal arrangements. There are over a million people now receiving pensions from the federal government under the old age security scheme. There is also a lesser number—though it is considerable—receiving payments under the old age assistance plan. Many of these people cannot meet their medical care costs. Under the contributory plan which we have put forward, such individuals would be covered.

There is another aspect of this problem which was not touched on by the hon. gentleman, and it concerns sickness insurance which should be built into a medical care insurance plan. An individual who is out of work because his employers lack work to give him can draw unemployment insurance benefits if he is qualified to do so; but if such person loses work because of illness he cannot qualify for unemployment insurance benefits. We feel this is one aspect of the problem which should be taken care of. Indeed, I have a resolution on the order paper referring to this very matter. It is one of the reforms which will have come about and which is part of the social security program already announced by the leader of the Liberal party. Under that plan we guarantee to individuals an ability to meet the cost of medical care, as has been stated by the Leader of the Opposition in speeches which have been made during the past few weeks from one end of Canada to the other, and which will be increasingly made.

We have indicated that we recognize the importance of the doctor-patient relationship. The doctor must be free to use the form of treatment he believes in the circumstances, and the patient must be free to consult the doctor of his choice. There is no suggestion of interfering in any way with the traditional doctor-patient relationship which must prevail. We recognize the contribution which has been made by the medical profession. We recognize the contribution being made in the field of medical research. What we want to do, while preserving the integrity of the medical profession, is to bring to a maximum number of people in our country the opportunity of sharing in the discoveries of medical science. That is the idea behind the plan which we have put forward—a plan which would create a scheme which would attract an increasing number of able people to the practice and study of medicine.

We recognize that the plan will require machinery, that it will require administration. We recognize the position of the doctor with regard to his income. Where there is collaboration between the medical profession and the provincial and federal governments with regard to this plan, there need be no difficulty in working out some kind of program which would guarantee the security which we feel, in this day and age, individuals living in a country such as ours should have, without in any way interfering with freedoms which we recognize as part of our tradition and without in any way interfering with constitutional arrangements which we believe are implicit in the British North America Act. We feel that those who can afford to do so should pay a small part of their doctors' bills up to a low annual maximum. This, we believe, would afford the safeguard against the making of unreasonable demands for attention.

We do believe that to postpone this problem, as the government is doing, is to place the whole question in jeopardy. All the information now being gathered by the royal commission on health services is valuable, no one questions that. But all that material is now available to the government in the Department of National Health and Welfare. All the submissions being made by the labour bodies, by the federation of agriculture, by the various business organizations, the Canadian Manufacturers' Association, the chambers of commerce, the Canadian Medical Association, the dental association and similar bodies are familiar to the minister. His department has that information and it should not be difficult for him and his advisors to recommend to his colleagues the kind of program which should be put forward for acceptance by the Canadian people. The government has let four years elapse without taking any concrete steps in this field, as it failed to take any concrete steps in the field of a contributory pension scheme that would provide a basic national pension of $75 a month. We now have fifteen minutes left in which to discuss this matter. I call upon the minister to deal with this question and outline the program of the government.

Mr. Speaker: Order. I am sorry to interrupt the hon. member but his time has expired.

Health Insurance

Mr. G. C. Fairfield (Portage-Neepawa): Mr. Speaker, I do not wish to take up too much of the time of the house. I do not intend to advance arguments relating to anything other than that part of the motion which calls upon the government to give consideration to the advisability of introducing a comprehensive system of national health insurance.

Hon. members of the opposition must realize that there has been appointed a royal commission to carefully examine existing health services throughout the nation and to recommend in what way these services may be improved. The hon. member for Essex East has stated that this information is already available to the Minister of National Health and Welfare. Having assisted with the briefs of some of the medical associations I can tell the hon. gentleman that the information is very voluminous. This matter should not be rushed into as was done when the United Kingdom government established national health insurance, which has led to the medical crisis that presently exists there, whether or not the hon. member for Timmins agrees with that statement.

I wish to talk about the supply of doctors we could make available under any plan this government might recommend as a result of the information gleaned from the investigation of the royal commission on health services. I do not know whether hon. members realize that in Canada we have the capability of graduating about 900 doctors per year. During the past few years only 800 students have graduated yearly from medical schools. It will be understood that many of these graduates come from the United States, Jamaica and other foreign lands and of course do not remain in Canada. I do not know what the people of Canada would have done since 1945 if it had not been for immigrant professionals from Europe and England. Since that time some 4,500 immigrant doctors came to Canada and helped out in this pinch.

The hon. member for Timmins said this question should be approached properly and sensibly. I feel it should be approached not only from the point of view of health services but also from the point of view of Great Britain being the only country in the free world which has a national health insurance scheme.

In the March 26, issue of *U.S. News and World Report* there is a splendid article with the provocative title "Disappearing Doctors: New Crisis in Britain" which examines the scheme in the United Kingdom. The shortage of recruits to the medical profession is not new knowledge to us. It may be to the Canadian Manufacturers' Association, the farm unions and other groups; but this condition has been known to the Canadian medical profession and this government, if to no one else, for some time. For the past five years it has been a certainty that the number of people going into medicine is decreasing from year to year. In Great Britain with a population of approximately 50 million there are approximately 1,600 graduates per year in the medical field. The entire tenor of the article represents a gloomy forecast. We do not wish to encounter the same difficulty experienced in the United Kingdom.

Mr. Martin (Timmins): Will the hon. member permit a question? Does he mean there are only 1,600 graduates out of the 12,000 students?

Mr. Fairfield: It will be understood that a student spends eight years in the study of medicine. I am not a good mathematician but 12,000 students must be divided by eight years. There are roughly 1,600 graduates a year in Great Britain and 800 a year in Canada. In Canada there are probably 6,000 to 6,500 students in medicine but only 800 graduate each year from the eight year course of study.

Let me read an excerpt from the article to which I referred:

> Why is British medicine under nationalization said to be in "a mess"? Why are hundreds of young doctors deserting socialized medicine to practise in countries free of government control? The answers that you get from independent authorities are: Working conditions imposed by the government as a monopoly employer of doctors are proving to be more and more intolerable. One result has been a decline in the number of people choosing medicine as a career. Among those who study medicine, a steadily increasing number are refusing to work here.

Mr. Martin (Timmins): Would the hon. gentleman permit another question? Would the hon. gentleman not agree that the present unrest in Great Britain is not confined to the medical profession but arises as a result of the government wage freeze?

Mr. Fairfield: Mr. Speaker, this motion is confined to a specific recommendation. I will not yield to the temptation of engaging in a discussion of doctor-patient relationships and other facets of this subject. I shall confine my remarks strictly to the question of the introduction of legislation to establish a comprehensive system of national health insurance as referred to in the terms of the motion.

I have spoken to many medical doctors who have emigrated to Canada from the United Kingdom. A great many resident surgeons and interns in hospitals in Great Britain are from India and other former colonial nations who are now taking over the actual practice of medicine in the hospitals in that country.

Lord Taylor, a socialist spokesman on medical problems in the House of Lords, is reported in this article to have said:

> I cannot honestly recommend you to go into such hospitals as a casualty. In many cases, there is no casualty officer. A house surgeon will have to leave the operating theater when he can treat you. His experience will be far less than that of your general medical practitioner. When he comes, he will probably not be a British graduate, and he may well have difficulty in understanding what you say. This is at a time when speed and efficiency may be literally lifesaving.

These are important facets of this question. Speaking politically they could perhaps be ignored. But this government intends to study the question thoroughly. It must be approached on a reasonable basis. We wish to avoid the crisis that has arisen in the United Kingdom.

I have spoken to many practitioners who left the United Kingdom and came to Canada. They speak of the vast number of patients who daily appear in the office of the ordinary general practitioner. With sometimes as many as 60 or 80 patients a day the patients receive little care. This is quite understandable because a doctor has only a limited time to devote to his patients. It was said that all those patients with a similar complaint are asked to stand up and they are given pink pills. I use that merely as an illustration.

This type of treatment has created a demand among ordinary citizens for private practitioners. As a result of this a great number of doctors who previously worked under the national health scheme have established a private practice and dissociated themselves from the scheme. This has created a still greater shortage in the medical profession. This is having a snowball effect and it will continue to do so, according to the investigations overseas. I quote from this article as follows:

> General practitioners, most of whom are burdened with a steadily increasing work load, are being forced to give less and less time to their patients.

Dr. Seale, who is a Harvard-trained medical economist in Great Britain, predicts that this growing shortage of doctors and the increasing demands for medical care will eventually force into private practice more and more of those doctors who are burdened with this type of practice. Whether or not this can be swallowed holus-bolus, I do not know. One quotation here is very interesting. It evidently comes from the same type of official and need not be taken as gospel. However, this man had this to say:

> "If we had a chance to do it again," one high ranking official says, "I think that we would favour some form of compulsory medical insurance, supplemented by tax funds together with subsidies to hospitals to keep down costs. We would also act to limit the cost of drugs. In short, the state would insure that everyone had access to medical care at a reasonable cost, but without nationalizing the entire system and putting all doctors on the government payroll."

You may say it is a very great political expedient to go to the country and say, "We are going to make all doctors work for a salary, as they do in the United Kingdom, of about $6,700 a year; there would be no time limit to the amount that they work; there is no such thing as a 40 hour work week; and they will be happy with it". I can warn you now that they are not happy with it in the United Kingdom and they have not been happy with it. The results are now coming to the fore in that unfortunate kingdom. The end of the article is particularly worthy of note, and I quote it as follows:

> Whatever is done, one thing is clear in Britain: After 14 years of socialized medicine, a growing number of experts are coming to the conclusion that something is wrong with the system—and they are speaking out for the first time.
>
> The alarm bell has been touched off by the realization that Britain is the only advanced industrial nation that is losing many of its best young physicians through emigration at a time when there is an acute shortage of doctors at home.

I therefore must warn not only our own government but the members of the opposition that if they go ahead without the concurrence of the doctors and, roughshod, push them into some form of compulsory work, they will bring about the same results as those now being observed in the United Kingdom.

Mr. Winch: I should like to ask the hon. member a question. In view of what he said, will the hon. member in this House of Commons, as a worthy member of the medical profession, recite for us the Hippocratic oath?

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, in the few brief minutes allowed to me it gives me a great deal of pleasure to speak on this motion introduced by the hon. member for Timmins. One of the things I think I might point out is that the need for beds for tuberculosis patients is becoming less year after year, and we are glad this is true. It is due to better prevention, antibiotics and the use of new drugs which allow some of these people to be treated in their own homes. It is a paradox that we find just the opposite situation in our active treatment hospitals where we are short of surgical beds and medical beds by the thousands. As has been pointed out by the hon. member who has just spoken, we are today seriously short of doctors in this country. Not only are we short of doctors but we are short of nurses and of dentists. Any plan

that would be put into effect would have to take into consideration those problems of shortages.

What is the reason for those shortages? This shortage situation is something that has been going on since early in the 50's. Governments and medical schools have noted it. The situation has progressed until today we have practising in this country some 4,500 doctors who are a gift from the United Kingdom. If we did not have those doctors, I just wonder how we would man our hospitals today, how we would practise medicine and look after the people in this country. That indicates the shortage we have today in the trained personnel required to operate these hospitals and to supply these services that we are asking for in this motion. As the hon. member has stated, it takes some years to graduate a doctor. We now are obliged to wait for those eight years required for training and there is no relief in sight from larger classes. In other words, we must get more students from our schools into our medical faculties. How are we going to do that?

Mr. Martin (Timmins): Will the hon. member permit a question?

Mr. Rynard: Yes.

Mr. Martin (Timmins): From what the hon. member has said, would he not agree that the doctor problem in this country is identical with the one in Great Britain, namely that of shortage?

Mr. Rynard: I should like to state to the hon. member for Timmins that we have been taking some of that shortage. Maybe we are responsible for some of that shortage because, as has been pointed out, we have 4,500 of those doctors operating in Canada. What I am trying to say to you, Mr. Speaker, is this. If those people had not come here, how would we operate today? How would we look after the sick? How would we look after the surgical cases? How would we do all this if we had not had that gift from the United Kingdom and other countries.

This shortage must be alleviated. I see that my time is just about up. I am hoping that the royal commission will bring in recommendations which will point the way to alleviating that shortage and will give to the Canadian people the best medical care in the world, which they have received over the last few years. We have on this continent the highest standard of medical care in existence anywhere in the world. Let us not horse trade in that matter. We must keep that standard up. I see that my time is up.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire of the house leader what the business will be for tomorrow? I hope it will also be possible for him to give some indication of what it will be for Friday.

Mr. Churchill: For tomorrow, we shall take any third readings that are on the order paper, and then the following items—and I shall name nine of them. Most of them have been before the house earlier and I presume everyone is ready to discuss them. If the order is to be altered, both parties on the other side will be informed in good time tomorrow morning. Tentatively, however, I put them in this order: 1, the resolution on the electoral boundaries commission, which has already been discussed; 2, Bill No. C-86, the amendment to the British North America Act concerning the Senate; 3, the resolution which appeared today dealing with retirement annuities for senators; 4, Bill No. C-79, the Customs Act amendment; 5, the copyright convention in the name of the Secretary of State; 6, the resolution concerning the Freight Rates Reduction Act; 7, the Currency, Mint and Exchange Fund Act; 8, the resolution dealing with crown corporations; and 9, the supplementary estimates. Just to repeat, may I say if that order is to be altered early notice will be given tomorrow morning to the opposite side.

Mr. Chevrier: May I inquire if we will follow that procedure both Thursday and Friday?

Mr. Churchill: That I cannot be sure of at the moment; it depends on the progress that is made.

Mr. Chevrier: Would the house leader indicate whether or not we will return to the budget?

Mr. Churchill: I express the hope we will return to the budget.

It being three minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

APPENDIX A

INTERNATIONAL WHEAT AGREEMENT, 1962

as adopted at the final plenary session held at Geneva on 10 March 1962

INTERNATIONAL WHEAT AGREEMENT, 1962

The governments signatory to this agreement,

Considering that the international wheat agreement, 1949 was revised and renewed in 1953, 1956 and 1959, and

Considering that the international wheat agreement, 1959 expires on 31 July 1962 and that it is desirable to conclude a new agreement for a further period,-

Have agreed as follows:

PART I.—GENERAL

ARTICLE 1

Objectives

The objectives of this agreement are:

(a) To assure supplies of wheat and wheat flour to importing countries and markets for wheat and wheat flour to exporting countries at equitable and stable prices;

(b) To promote the expansion of the international trade in wheat and wheat flour and to secure the freest possible flow of this trade in the interests of both exporting and importing countries, and thus contribute to the development of countries, the economies of which depend on commercial sales of wheat;

(c) To overcome the serious hardship caused to producers and consumers by burdensome surpluses and critical shortages of wheat;

(d) To encourage the use and consumption of wheat and wheat flour generally, and in particular in developing countries, so as to improve health and nutrition in those countries and thus to assist in their development; and

(e) In general to further international cooperation in connection with world wheat problems, recognizing the relationship of the trade in wheat to the economic stability of markets for other agricultural products.

ARTICLE 2

Definitions

(1) For the purposes of this agreement:

(a) "Advisory committee on price equivalents" means the committee established under Article 31;

(b) "Balance of commitment" means the amount of wheat which an exporting country is obliged to make available at not greater than the maximum price under Article 5, that is, the amount by which its datum quantity with respect to importing countries exceeds the actual commercial purchases from it by those countries in the crop year at the relevant time;

(c) "Balance of entitlement" means the amount of wheat which an importing country is entitled to purchase at not greater than the maximum price under Article 5; that is, the amount by which its datum quantity with respect to the exporting country or countries concerned, as the context requires, exceeds its actual commercial purchases from those countries in the crop year at the relevant time;

(d) "Bushel" means 60 pounds avoirdupois or 27.2155.. kilogrammes;

(e) "Carrying charges" means the costs incurred for storage, interest and insurance in holding wheat;

(f) "Certified seed wheat" means wheat which has been officially certified according to the custom of the country of origin and which conforms to recognized specification standards for seed wheat in that country;

(g) "C. & f." means cost and freight;

(h) "Council" means the international wheat council established by the international wheat agreement, 1949 and continued in being by Article 25;

(i) "Crop year" means the period from 1 August to 31 July;

(j) "Datum quantity" means:

(i) In the case of an exporting country the average annual commercial purchases from that country by importing countries during the years determined under Article 15;

(ii) In the case of an importing country the average annual commercial purchases from exporting countries or from a particular exporting country, as the context requires, during the years determined under Article 15;

(k) "Executive committee" means the committee established under Article 30;

(l) "Exporting country" means, as the context requires either;

(i) the government of a country listed in annex B which has accepted or acceded to this agreement and has not withdrawn therefrom; or

(ii) that country itself and the territories in respect of which the rights and obligations of its government under this agreement apply.

(m) "F.a.q." means fair average quality;

(n) "F.o.b." means free on board ocean vessel or sea-going vessel, as the case may be, and in the case of French wheat delivered at a Rhine port, free on board river craft;

(o) "Importing country" means, as the context requires, either:

(i) the government of a country listed in annex C which has accepted or acceded to this agreement and has not withdrawn therefrom; or

(ii) that country itself and the territories in respect of which the rights and obligations of its government under this agreement apply;

(p) "Marketing costs" means all usual charges incurred in marketing, chartering, and forwarding;

(q) "Maximum price" means the maximum prices specified in or determined under Articles 6 or 7 or one of those prices, as the context requires;

(r) "Maximum price declaration" means a declaration made in accordance with Article 13;

(s) "Metric ton", or 1,000 kilogrammes, means 36.74371 bushels;

(t) "Minimum price" means the minimum prices specified in or determined under Articles 6 or 7 or one of those prices, as the context requires;

(u) "Price range" means prices between the minimum and maximum prices specified in or determined under Articles 6 or 7, including the minimum prices but excluding the maximum prices;

(v) "Purchase" means a purchase for import of wheat exported or to be exported from an exporting country or from other than an exporting country, as the case may be, or the quantity of such wheat so purchased, as the context requires. Where reference is made in this agreement to a purchase, it shall be understood to refer not only to purchases concluded between the governments concerned but also to purchases concluded between private traders and to purchases concluded between a private trader and the government concerned. In this definition "government" shall be deemed to include the government of any territory in respect of which the rights and obligations of any government accepting or acceding to this agreement apply under Article 37;

(w) "Territory" in relation to an exporting or importing country includes any territory in respect of which the rights and obligations under this agreement of the government of that country apply under Article 37;

(x) "Wheat" includes wheat grain of any description, class, type, grade or quality and, except in Article 6, wheat flour.

(2) All calculations of the wheat equivalent of purchases of wheat flour shall be made on the basis of the rate of extraction indicated by the contract between the buyer and the seller. If no such rate is indicated, 72 units by weight of wheat flour shall, for the purpose of such calculations, be deemed to be equivalent to 100 units by weight of wheat grain unless the council decides otherwise.

Article 3

Commercial Purchases and Special Transactions

(1) A commercial purchase for the purposes of this agreement is a purchase as defined in Article 2 which conforms to the usual commercial practices in international trade and which does not include those transactions referred to in paragraph (2) of this article.

(2) A special transaction for the purposes of this agreement is one which, whether or not within the price range, includes features introduced by the government of a country concerned which do not conform with usual commercial practices. Special transactions include the following:

(a) Sales on credit in which, as a result of government intervention, the interest rate, period of payment, or other related terms do not conform with the commercial rates, periods or terms prevailing in the world market;

(b) Sales in which the funds for the purchase of wheat are obtained under a loan from the government of the exporting country tied to the purchase of wheat;

(c) Sales for currency of the importing country which is not transferable or convertible into currency or goods for use in the exporting country;

(d) Sales under trade agreements with special payments arrangements which include clearing accounts for settling credit balances bilaterally through the exchange of goods, except where the exporting country and the importing country concerned agree that the sale shall be regarded as commercial;

(e) Barter transactions

(i) which result from the intervention of governments where wheat is exchanged at other than prevailing world prices, or

(ii) which involve sponsorship under a government purchase program except where the purchase of wheat results from a barter transaction in which the country of final destination was not named in the original barter contract;

(f) A gift of wheat or a purchase of wheat out of a monetary grant by the exporting country made for that specific purpose;

(g) Any other categories of transactions that include features introduced by the government of a country concerned which do not conform with usual commercial practices, as the council may prescribe.

(3) Any question raised by the executive secretary or by any exporting or importing country as to whether a transaction is a commercial purchase as defined in paragraph (1) of this article or a special transaction as defined in paragraph (2) of this article shall be decided by the council.

PART II.—RIGHTS AND OBLIGATIONS

ARTICLE 4

Purchases within the Price Range

(1) Each importing country undertakes that not less than the percentage specified for that country in annex A of its total commercial purchases of wheat in any crop year shall be purchased from exporting countries at prices within the price range and that any additional commercial purchases of wheat from exporting countries shall also be at prices within the price range, except when a maximum price declaration is in effect in respect of any exporting country in which case the provisions of Article 5 shall apply.

(2) Exporting countries undertake, in association with one another, that wheat from their countries shall be made available for purchase by importing countries in any crop year at prices within the price range in quantities sufficient to satisfy the commercial requirements of those countries, except when a maximum price declaration is in effect in respect of an exporting country, in which case the provisions of Article 5 shall apply to that country.

(3) For the purposes of this agreement, except as provided in Article 5, any wheat purchased from an importing country by a second importing country which originated during that crop year from an exporting country shall be deemed to have been purchased from that exporting country by the second importing country. Subject to the provisions of Article 19, this paragraph shall apply to wheat flour only if the wheat flour originated from the exporting country concerned.

ARTICLE 5

Purchases at the Maximum Price

(1) If the council makes a maximum price declaration in respect of an exporting country, that country shall make available for purchase by importing countries at not greater than the maximum price its balance of commitment toward those countries to the extent that the balance of entitlement of any importing country with respect to all exporting countries is not exceeded.

(2) If the council makes a maximum price declaration in respect of all exporting countries, each importing country shall be entitled, while the declaration is in effect,

(a) To purchase from exporting countries at prices not greater than the maximum price its balance of entitlement with respect to all exporting countries; and

(b) To purchase wheat from any source without being regarded as committing any breach of paragraph (1) of Article 4.

(3) If the council makes a maximum price declaration in respect of one of more exporting countries, but not all of them, each importing country shall be entitled while the declaration is in effect,

(a) To make purchases under paragraph (1) of this article from such one or more exporting countries and to purchase the balance of its commercial requirements within the price range from the other exporting countries, and

(b) To purchase wheat from any source without being regarded as committing any breach of paragraph (1) of Article 4 to the extent of its balance of entitlement with respect to such one or more exporting countries as at the effective date of the declaration, provided such balance is not larger than its balance of entitlement with respect to all exporting countries.

(4) Purchases by any importing country from an exporting country in excess of the balance of entitlement of that importing country with respect to all exporting countries shall not reduce the obligation of that exporting country under this article. The provisions of paragraph (3) of Article 4 shall apply also to this article provided the balance of entitlement of any importing country with respect to all exporting countries is not thereby exceeded.

(5) In determining whether it has fulfilled its required percentage under paragraph (1) of Article 4, purchases made by any importing

country while a maximum price declaration is in effect, subject to the limitations in paragraphs (2) (b) and (3) (b) of this article,

(a) shall be taken into account if those purchases were made from any exporting country, including an exporting country in respect of which the declaration was made, and

(b) shall be entirely disregarded if those purchases were made from a country other than an exporting country.

ARTICLE 6

Prices of Wheat

(1)—(a) The basic minimum and maximum prices for the duration of this agreement shall be:

Minimum $1.62½
Maximum $2.02½

Canadian currency per bushel at the parity for the Canadian dollar, determined for the purposes of the international monetary fund as at 1 March 1949, for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur. The basic minimum and maximum prices, and the equivalents thereof hereafter referred to, shall exclude such carrying charges and marketing costs as may be agreed between the buyer and the seller.

(b) Durum wheat and certified seed wheat are excluded from the provisions relating to maximum prices.

(c) Carrying charges as agreed between the buyer and seller may accrue for the buyer's account only after an agreed date specified in the contract under which the wheat is sold.

(2) The equivalent maximum price for bulk wheat for:

(a) No. 1 Manitoba Northern wheat in store Vancouver shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this article;

(b) No. 1 Manitoba Northern wheat f.o.b. Port Churchill, Manitoba, shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this article, computed by using currently prevailing transportation costs and exchange rates;

(c) Argentine wheat in store ocean ports shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this article, converted into Argentine currency at the prevailing rate of exchange, making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(d) f.a.q. Australian wheat in store ocean ports shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in store graph (1) of this article, converted into Australian currency at the prevailing rate of exchange, making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(e) French wheat on sample or on description f.o.b. French ports or at the French border (whichever is applicable) shall be the price equivalent to the c. & f. price in the country of destination, or the c. & f. price at an appropriate port for delivery to the country of destination, of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(f) Italian wheat on sample or on description f.o.b. Italian ports or at the Italian border (whichever is applicable) shall be the price equivalent to the c. & f. price in the country of destination, or the c. & f. price at an appropriate port for delivery to the country of destination, of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(g) (i) Mexican wheat on sample or on description f.o.b. Mexican gulf ports or at the Mexican border (whichever is applicable) shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(ii) Mexican wheat on sample or on description in store Mexican Pacific ports shall be the maximum price for No. 1

Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this article, converted into Mexican currency at the prevailing rate of exchange, making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(h) Spanish wheat on sample or on description f.o.b. Spanish ports or at the Spanish border (whichever is applicable) shall be the price equivalent to the c. & f. price in the country of destination, or the c. & f. price at an appropriate port for delivery to the country of destination, of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(i) Swedish wheat on sample or on description f.o.b. Swedish ports between Stockholm and Gothenburg, both included, shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(j) No. 1 heavy dark northern spring wheat in store Duluth/Superior shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this article, computed by using the prevailing rate of exchange and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(k) No. 1 hard winter wheat f.o.b. gulf/Atlantic ports of the United States of America shall be the price equivalent to the c. & f. price in the United Kingdom of Great Britain and Northern Ireland of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(l) No. 1 soft white wheat or No. 1 hard winter wheat in store Pacific ports of the United States of America shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this article, computed by using the prevailing rate of exchange and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(m) Soviet south winter wheat f.o.b. Black sea ports or Baltic ports or at U.S.S.R. border (whichever is applicable) shall be the price equivalent to the c. and f. price in the country of destination for the maximum price of No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

(3) The equivalent minimum price for bulk wheat for:

(a) No. 1 Manitoba Northern wheat f.o.b. Vancouver,

(b) No. 1 Manitoba Northern wheat f.o.b. Port Churchill, Manitoba,

(c) Argentine wheat f.o.b. Argentina,

(d) f.a.q. wheat f.o.b. Australia,

(e) Mexican wheat on sample or on description f.o.b. Mexican ports, or at the Mexican border (whichever is applicable),

(f) No. 1 hard winter wheat f.o.b. gulf/Atlantic ports of the United States of America, and

(g) No. 1 soft white wheat or No. 1 hard winter wheat f.o.b. Pacific ports of the United States of America,

(h) Soviet south winter wheat f.o.b. Black sea ports or Baltic ports or at U.S.S.R. border (whichever is applicable),

shall be respectively:

the f.o.b. price Vancouver, Port Churchill, Argentina, Australia, Mexican ports, United States of America gulf/Atlantic ports, United States of America Pacific ports and the Black sea ports and Baltic ports of the Union of Soviet Socialist Republics equivalent to the c. and f. price in the United Kingdom of Great Britain and Northern Ireland of the minimum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned,

(i) No. 1 heavy dark northern spring wheat in store Duluth/Superior shall be the minimum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this article, computed by using the prevailing rate of exchange and by making such allowance for difference in quality as may be agreed between the exporting and the importing country concerned,

(j) French wheat on sample or on description f.o.b. French ports, or at the French border (whichever is applicable),

(k) Italian wheat on sample or on description f.o.b. Italian ports, or at the Italian border (whichever is applicable),

(l) Spanish wheat on sample or on description f.o.b. Spanish ports, or at the Spanish border (whichever is applicable),

(m) Swedish wheat on sample or on description f.o.b. Swedish ports between Stockholm and Gothenburg, both included,
shall be:
the price equivalent to the c. and f. price in the country of destination, or the c. and f. price at an appropriate port for delivery to the country of destination, of the minimum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

(4) For the period of closed navigation between Fort William/Port Arthur and the Canadian Atlantic ports, equivalent maximum and minimum prices shall be determined by references only to the lake and rail movement of wheat from Fort William/Port Arthur to Canadian winter ports.

(5) The executive committee may in consultation with the advisory committee on price equivalents, determine the minimum and maximum price equivalents for wheat at points other than those specified above and may also designate any description, class, type, grade or quality of wheat other than those specified in paragraphs (2) and (3) of this article and determine the minimum and maximum price equivalents thereof; provided that, in the case of any other wheat the price equivalent of which has not yet been determined, the minimum and maximum prices for the time being shall be derived from the minimum and maximum prices of the description, class, type, grade or quality of wheat specified in this article, or subsequently designated by the executive committee in consultation with the advisory committee on price equivalents, which is most closely comparable to such other wheat by the addition of an appropriate premium or by the deduction of an appropriate discount.

(6) If any exporting or importing country represents to the executive committee that any price equivalent established under paragraph (2), (3) or (5) of this article, is, in the light of current transportation or exchange rates or market premiums or discounts, no longer fair, the executive committee shall consider the matter and may, in consultation with the advisory committee on price equivalents, make such adjustments as it considers desirable.

(7) In establishing equivalent minimum and maximum prices under paragraphs (2), (3), (5) or (6) of this article and subject to the provisions of Article 16 relating to Durum wheat and certified seed wheat, no allowance for difference in quality shall be made which would result in the equivalent minimum and maximum price of any wheat being fixed at a level higher than the basic minimum or maximum price, respectively, specified in paragraph (1).

(8) If a dispute arises as to what premium or discount is appropriate for the purposes of paragraphs (5) and (6) of this article in respect of any description of wheat specified in paragraph (2) or (3) or designated under paragraph (5) the executive committee, in consultation with the advisory committee on price equivalents, shall on the request of the exporting or importing country concerned decide the issue.

(9) All decisions of the executive committee under paragraphs (5), (6) and (8) of this article shall be binding on all exporting and importing countries, provided that any of those countries which considers that any such decision is disadvantageous to it may ask the council to review that decision.

ARTICLE 7

Prices of Wheat Flour

(1) Commercial purchases of wheat flour will be deemed to be at prices consistent with the prices for wheat specified in or determined under Article 6 unless a statement to the contrary, with supporting information, is received by the council from any exporting or importing country, in which case the council shall, with the assistance of any countries concerned, consider the matter and decide whether the price is so consistent.

(2) The council may in co-operation with any exporting and importing countries carry out studies of the prices of wheat flour in relation to the prices of wheat.

ARTICLE 8

Countries which both export and import wheat

(1) For the duration of this agreement and for the purposes of its application, a country listed in annex B shall be regarded as an exporting country and a country listed in annex C shall be regarded as an importing country.

(2) Any country listed in annex C which makes wheat available for purchase by any exporting or importing country shall do so at prices consistent with the price range, except in the case of denatured feed wheat, and in making such wheat available for purchase shall avoid taking any action which would be prejudicial to the operation of this agreement.

(3) Any country listed in annex B which desires to purchase wheat shall endeavour so far as possible to purchase its requirements from exporting countries at prices within the price range and, in meeting its requirements, to avoid taking any action which would be prejudicial to the operation of this agreement.

PART III.—ADJUSTMENTS

ARTICLE 9

Adjustment in Case of Short Crop

(1) Any exporting country which fears that it may be prevented by a short crop from carrying out its obligations under this agreement in respect of a particular crop year shall report the matter to the council at the earliest possible date and apply to the council to be relieved of a part or the whole of its obligations for that crop year. An application made to the council pursuant to this paragraph shall be heard without delay.

(2) The council shall, in dealing with a request for relief under this article, review the exporting country's supply situation and the extent to which the exporting country has observed the principle that it should, to the maximum extent feasible, make wheat available for purchase to meet its obligations under this agreement.

(3) The council shall also, in dealing with a request for relief under this article, have regard to the importance of the exporting country's maintaining the principles stated in paragraph (2) of this article.

(4) If the council finds that the country's representations are well founded, it shall decide to what extent and on what conditions that country shall be relieved of its obligations for the crop year concerned. The council shall inform the exporting country of its decision.

(5) If the council decides that the exporting country shall be relieved of the whole or part of its obligations under Article 5 for the crop year concerned, the council shall increase the commitments as represented by the datum quantities of the other exporting countries to the extent agreed by each of them. If such increases do not offset the relief granted under paragraph (4) of this article, it shall reduce by the amount necessary the entitlements, as represented by the datum quantities of the importing countries to the extent agreed by each of them.

(6) If the relief granted under paragraph (4) of this article cannot be entirely offset by measures taken under paragraph (5), the council shall reduce *pro rata* the entitlement as represented by the datum quantities of the importing countries, account being taken of any reductions under paragraph (5).

(7) If the commitment as represented by the datum quantity of an exporting country is reduced under paragraph (4) of this article, the amount of such reduction shall be regarded for the purpose of establishing its datum quantity and that of all other exporting countries in subsequent crop years as having been purchased from that exporting country in the crop year concerned. In the light of the circumstances, the council shall determine whether any adjustment shall be made, and if so in what manner, for the purpose of establishing the datum quantities of importing countries in such subsequent crop years as a result of the operation of this paragraph.

(8) If the entitlement as represented by the datum quantity of an importing country is reduced under paragraphs (5) or (6) of this article to offset the relief granted to an exporting country under paragraph (4), the amount of such reduction shall be regarded as having been purchased in the crop year concerned from that exporting country for the purposes of establishing the datum quantity of that importing country in subsequent crop years.

ARTICLE 10

Adjustment in Case of Necessity to Safeguard Balance of Payments or Monetary Reserves

(1) Any importing country which fears that it may be prevented by the necessity to safeguard its balance of payments or monetary reserves from carrying out its obligations under this agreement in respect of a particular crop year shall report the matter to the council at the earliest possible date and apply to

the council to be relieved of a part or the whole of its obligations for that crop year. An application made to the council pursuant to this paragraph shall be heard without delay.

(2) If an application is made under paragraph (1) of this article, the council shall seek and take into account, together with all facts which it considers relevant, the opinion of the international monetary fund, as far as the matter concerns a country which is a member of the fund, on the existence and extent of the necessity referred to in paragraph (1).

(3) The council shall, in dealing with a request for relief under this article, have regard to the importance of the importing country's maintaining the principle that it should to the maximum extent feasible make purchases to meet its obligations under this agreement.

(4) If the council finds that the representations of the importing country concerned are well founded, it shall decide to what extent and on what conditions that country shall be relieved of its obligations for the crop year concerned. The council shall inform the importing country of its decision.

ARTICLE 11

Adjustments and Additional Purchases In Case of Critical Need

(1) If a critical need has arisen or threatens to arise in its territory, an importing country may appeal to the council for assistance in obtaining supplies of wheat. With a view to relieving the emergency created by the critical need, the council shall give urgent consideration to the appeal and shall make appropriate recommendations to exporting and importing countries regarding the action to be taken by them.

(2) In deciding what recommendation should be made in respect of an appeal by an importing country under the preceding paragraph, the council shall have regard to its actual commercial purchases from exporting countries or to the extent of its obligations under Article 4, as may appear appropriate in the circumstances.

(3) No action taken by an exporting or importing country pursuant to a recommendation made under paragraph (1) of this article shall affect the datum quantity of any exporting or importing country in subsequent crop years.

ARTICLE 12

Other Adjustments

(1) An exporting country may transfer part of its balance of commitment to another exporting country, and an importing country may transfer part of its balance of entitlement to another importing country for a crop year, subject to approval by the council by a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries.

(2) Any importing country may at any time, by written notification to the council, increase its percentage undertaking referred to in paragraph (1) of Article 4 and such increase shall become effective from the date of receipt of the notification.

(3) Any importing country which considers that its interests in respect of its percentage undertaking under paragraph (1) of Article 4 and annex A is seriously prejudiced by the non-participation in or withdrawal from this agreement of any country listed in annex B holding not less than 5 per cent of the votes distributed in annex B may, by written notification to the council, apply for a reduction in its percentage undertaking. In such a case, the council shall reduce that importing country's percentage undertaking by the proportion that its maximum annual commercial purchases during the years determined under Article 15 with respect to the non-participating or withdrawing country bears to its datum quantity with respect to all countries listed in annex B and shall then further reduce such revised percentage undertaking by subtracting two and one half.

(4) The datum quantity of any country acceding under paragraph 4 of Article 35 shall be offset, if necessary, by appropriate adjustments by way of increase or decrease in the datum quantities of one or more exporting or importing countries, as the case may be. Such adjustments shall not be approved unless each exporting or importing country whose datum quantity is thereby changed has consented.

PART IV.—ADMINISTRATION OF RIGHTS AND OBLIGATIONS

ARTICLE 13

Maximum Price Declarations

(1) As soon as any of its wheat other than Durum wheat or certified seed wheat is made available for purchase by importing countries at prices not less than the maximum price, an exporting country shall notify the council to that effect. On receipt of such notification the executive secretary acting on behalf of the council shall except as otherwise provided in paragraph (4) of this article and paragraph (4) of Article 16, make a declaration accordingly, referred to in this agreement as a maximum price declaration. The executive secretary shall communicate that

maximum price declaration to all exporting and importing countries as soon as possible after it has been made.

(2) As soon as all of its wheat which has been made available at not less than the maximum price, other than Durum wheat or certified seed wheat, is again made available for purchase by importing countries at prices less than the maximum price, an exporting country shall notify the council to that effect. Thereupon, the executive secretary, acting on behalf of the council, shall terminate the maximum price declaration in respect of that country by making a further declaration accordingly. He shall communicate such further declaration to all exporting and importing countries as soon as possible after it has been made.

(3) The council shall, in its rules of procedure, prescribe regulations to give effect to paragraphs (1) and (2) of this article, including regulations determining the effective date of any declaration made under this article.

(4) If at any time in the opinion of the executive secretary an exporting country has failed to make a notification under paragraph (1) or (2) of this article, or has made an incorrect notification, he shall, without prejudice in the latter case to the provisions of paragraph (1) or (2), convene a meeting of the advisory committee on price equivalents. If at any time in the opinion of the executive secretary an exporting country has made a notification under paragraph (1) but the facts relating thereto do not warrant a maximum price declaration, he shall not make such a declaration but shall refer the matter to the advisory committee. If the advisory committee advises either under this paragraph or in accordance with Article 31 that a declaration under paragraph (1) or (2) should be or should not be made or is incorrect, as the case may be, the executive committee acting on behalf of the council may make or refrain from making a declaration accordingly, or cancel any declaration then in effect, whichever may be appropriate. The executive secretary shall communicate any such declaration or cancellation to all exporting and importing countries as soon as possible.

(5) Any declaration made under this article shall specify the crop year or crop years to which it relates, and this agreement shall apply accordingly.

(6) If any exporting or importing country considers that a declaration under this article should be or should not have been made, as the case may be, it may refer the matter to the council. If the council finds that the representations of the country concerned are well founded, it shall make or cancel a declaration accordingly.

(7) Any declaration made under paragraphs (1), (2) or (4) of this article which is cancelled in accordance with this article shall be regarded as having full force and effect until the date of its cancellation, and such cancellation shall not affect the validity of anything done under the declaration prior to its cancellation.

ARTICLE 14

Action at or approaching the Minimum Price

(1) If any exporting or importing country is making wheat available for purchase by exporting or importing countries at not greater than the minimum price, or if such a situation appears likely to arise, the executive secretary shall, after bringing the matter to the attention of the advisory committee on price equivalents and communicating as that committee may advise with the country concerned, report the situation to the executive committee.

(2) If the executive committee, after studying the matter in the light of the advice which the advisory committee shall give under paragraph (1) of this article or under Article 31, considers that the country concerned may be failing to carry out its obligations under the agreement with respect to the minimum price, it shall so notify the country concerned and may require that such country furnish a statement respecting the matter for the committee's further consideration. If, after taking into account any explanation offered by the country concerned, the executive committee is of the view that such country is failing to perform its obligations with respect to the minimum price, it shall so inform the chairman of the council.

(3) Upon receiving such information from the executive committee, the chairman of the council shall convene a session of the council as soon as possible to consider the matter. The council may make such recommendations to exporting and importing countries as it considers necessary to meet the situation.

(4) If the advisory committee on price equivalents, in the course of its continuous review of market conditions under Article 31, is of the opinion that, by reason of a serious fall in the price of any wheat, a situation has arisen, or threatens immediately to arise, which appears likely to jeopardize the objectives of the agreement with regard to the minimum price, or if such a situation is called to the advisory committee's attention by the executive secretary on his own initiative or at

the request of any exporting or importing country, it shall immediately inform the executive committee of the facts concerned. The advisory committee shall in so informing the executive committee give particular regard to circumstances which have brought about, or threaten to bring about, a serious fall in the price in any market of wheat in relation to the minimum price. The executive committee shall, if it considers appropriate, inform the chairman of the council who may convene a session of the council to consider the matter. The council may make such recommendations to exporting and importing countries as it considers necessary to meet the situation.

(5) In advising and informing the executive committee under paragraphs (2) and (4) of this article the advisory committee shall include advice of any action with regard to the determination of allowances for differences of quality which it considers might suitably be taken to meet the situation.

ARTICLE 15

Establishment of Datum Quantities

(1) Datum quantities as defined in Article 2 shall be established for each crop year on the basis of average annual commercial purchases during the first four of the immediately preceding five crop years.

(2) Before the beginning of each crop year, the council shall establish for that crop year the datum quantity of each exporting country with respect to all importing countries and the datum quantity of each importing country with respect to all exporting countries and to each such country.

(3) The datum quantities established in accordance with the preceding paragraph shall be re-established whenever a change in the membership of this agreement occurs, regard being had where appropriate to any conditions of accession prescribed by the council under Article 35.

ARTICLE 16

Recording

(1) For the purposes of the operation of this agreement, the council shall keep records for each crop year of all commercial purchases made by importing countries from all sources and of all such purchases made from exporting countries.

(2) The council shall also keep records so that at all times during a crop year a statement of the balance of commitment of each exporting country with respect to all importing countries and of the balance of entitlement of each importing country with respect to all exporting countries and to each such country is maintained. Statements of such balances shall, at intervals prescribed by the council, be circulated to all exporting and importing countries.

(3) For the purposes of paragraph (2) of this article and of paragraph (1) of Article 4, commercial purchases by an importing country from an exporting country entered in the council's records shall also be entered as against the obligations of exporting and importing countries under Articles 4 and 5, or those obligations as adjusted under other articles of this agreement, if the loading period falls within the crop year and

(a) in the case of importing countries, the purchases are at prices not less than the minimum price, and

(b) in the case of exporting countries, the purchases are at prices within the price range including, for the purposes of Article 5, the maximum price.

Commercial purchases of wheat flour entered in the council's records shall also be entered as against the obligations of exporting and importing countries under the same conditions, provided that the price of such wheat flour is consistent with a price for wheat in accordance with Article 7.

(4) If an importing country and a country making wheat available for purchase so agree, purchases at prices above the maximum price shall not be regarded as a breach of Articles 4, 5, or paragraph (2) of Article 8, and shall be entered as against the obligations, if any, of the countries concerned. No maximum price declaration shall be made in respect of such purchases from an exporting country, nor shall they in any way affect the obligations of the exporting country concerned to other importing countries under Article 4.

(5) In the case of Durum wheat and certified seed wheat, a purchase entered in the council's records shall also be entered as against the obligations of exporting and importing countries under the same conditions whether or not the price is above the maximum price.

(6) Provided that the conditions prescribed in paragraph (3) of this article are satisfied, the council may authorize purchases to be recorded for a crop year if

(a) the loading period involved is within a reasonable time up to one month, to be decided by the council, before the beginning or after the end of that crop year, and

(b) the exporting and importing country concerned so agree.

(7) For the period of closed navigation between Fort William/Port Arthur and the Canadian Atlantic ports, a purchase shall, notwithstanding the provisions of paragraph (4) of

Article 6, be eligible for entry in the council's records against the obligations of the exporting country and the importing country concerned in accordance with this article if it relates to

(a) Canadian wheat which is moved by an all-rail route from Fort William/Port Arthur to Canadian Atlantic ports, or

(b) United States wheat which, except for conditions beyond the control of the buyer and the seller, would be moved by lake and rail to United States Atlantic ports and which, because it cannot be so moved, is moved by an all-rail route to United States Atlantic ports, provided that payment of the extra transportation cost thereby incurred is agreed between the buyer and the seller.

(8) The council shall prescribe rules of procedure for the reporting and recording of all commercial purchases and special transactions. In those rules it shall prescribe the frequency and the manner in which those purchases and transactions shall be reported and shall prescribe the duties of exporting and importing countries with regard thereto. The council shall also make provision for the amendment of any records or statements maintained by it, including provision for the settlement of any dispute arising in connection therewith.

(9) Each exporting country and each importing country may be permitted, in the fulfilment of its obligations, a degree of tolerance to be prescribed by the council for that country on the basis of the extent of those obligations and other relevant factors.

(10) In order that as complete records as possible may be maintained and for the purposes of Article 23, the council shall also keep separate records for each crop year of all special transactions entered into by any exporting or importing country.

ARTICLE 17

Estimates of Requirements and Availability of Wheat

(1) By 1 October in the case of northern hemisphere countries and 1 February in the case of southern hemisphere countries, each importing country shall notify the council of its estimate of its commercial requirements of wheat from exporting countries in that crop year. Any importing country may thereafter notify the council of any changes it may desire to make in its estimate.

(2) By 1 October in the case of northern hemisphere countries and 1 February in the case of southern hemisphere countries, each exporting country shall notify the council of its estimate of the wheat it will have available for export in that crop year. Any exporting country may thereafter notify the council of any changes it may desire to make in its estimate.

(3) All estimates notified to the council shall be used for the purpose of the administration of the agreement and may only be made available to exporting and importing countries on such conditions as the council may prescribe. Estimates submitted in accordance with this article shall in no way be binding.

(4) Exporting and importing countries shall be free to fulfil their obligations under this agreement through private trade channels or otherwise. Nothing in this agreement shall be construed to exempt any private trader from any laws or regulations to which he is otherwise subject.

(5) The council may, at its discretion, require exporting and importing countries to co-operate together to ensure than an amount of wheat equal to not less than 10 per cent of the datum quantities of exporting countries for any crop year shall be available for purchase by importing countries under this agreement after 31 January of that crop year.

ARTICLE 18

Consultations

(1) In order to assist an exporting country in assessing the extent of its commitments if a maximum price declaration should be made and without prejudice to the rights enjoyed by any importing country, an exporting country may consult with an importing country regarding the extent to which the rights of that importing country under Articles 4 and 5 will be taken up in any crop year.

(2) Any exporting or importing country experiencing difficulty in making sales or purchases of wheat under Article 4 may refer the matter to the council. In such a case the council, with a view to the satisfactory settlement of the matter, shall consult with any exporting or importing country concerned and may make such recommendations as it considers appropriate.

(3) If an importing country should find difficulty in obtaining its balance of entitlement in a crop year at prices not greater than the maximum price while a maximum price declaration is in effect, it may refer the matter to the council. In such a case the council shall investigate the situation and shall consult with exporting countries regarding the manner in which their obligations shall be carried out.

ARTICLE 19

Performance under Articles 4 and 5

(1) The council shall as soon as practicable after the end of each crop year review the performance of exporting and importing countries in relation to their obligations under Articles 4 and 5 during that crop year.

(2) For the purposes of this review the tolerances as specified by the council under paragraph (9) of Article 16 shall apply.

(3) Upon application by an importing country in respect of the performance of its obligations in the crop year, the council may take into account the wheat equivalent of flour purchased by it from another importing country provided it can be shown to the satisfaction of the council that such flour was wholly milled from wheat purchased within the agreement from exporting countries.

(4) In considering the performance of any importing country in relation to its obligations in the crop year:

(a) the council shall disregard any exceptional importation of wheat from other than exporting countries provided that it can be shown to the satisfaction of the council that such wheat has been or will be used only as feed and that such importation was not at the expense of quantities normally purchased by that importing country from exporting countries. Any decision under this subparagraph shall be by a majority of the votes held by exporting countries and a majority of the votes held by importing countries.

(b) the council shall disregard any importation from other than exporting countries of wheat which has been denatured for use as feed in a manner acceptable to the council.

(5) In considering the performance of any importing country in relation to its obligations in the crop year the council may also disregard any purchases by the country concerned of Durum wheat from other importing countries which are traditional exporters of Durum wheat.

ARTICLE 20

Defaults under Article 4 or 5

(1) If, on the basis of the review made under Article 19, any country appears to be in default of its obligations under Article 4 or 5, the council shall decide what action should be taken.

(2) Before reaching a decision under this article, the council shall give any exporting or importing country concerned the opportunity to present any facts which it considers relevant.

(3) If the council finds by a majority of the votes held by exporting countries and a majority of the votes held by importing countries that an exporting country or an importing country is in default under Article 4 or 5, it may by a similar vote deprive the country concerned of its voting rights for such period as the council may determine, reduce the other rights of that country to the extent which it considers commensurate with the default, or expel that country from participation in the agreement.

(4) No action taken by the council under this article shall in any way reduce the obligation of the country concerned in respect of its financial contributions to the council unless that country is expelled from participation in the agreement.

ARTICLE 21

Action in Cases of Serious Prejudice

(1) Any exporting or importing country which considers that its interests as a party to this agreement have been seriously prejudiced by actions of any one or more exporting or importing countries affecting the operation of the agreement may bring the matter before the council. In such a case, the council shall immediately consult with the countries concerned in order to resolve the matter.

(2) If the matter is not resolved through such consultations, the council may refer the matter to the executive committee or the advisory committee on price equivalents for urgent investigation and report. On receipt of any such report, the council shall consider the matter further and, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, may make recommendations to the countries concerned.

(3) If, after action has or has not been taken, as the case may be, under paragraph (2) of this article, the country concerned is not satisfied that the matter has been satisfactorily dealt with, it may apply to the council for relief. The council may, if it deems appropriate, relieve that country of part of its obligations for the crop year in question. Two thirds of the votes held by the exporting countries and two thirds of the votes held by the importing countries shall be required for a decision granting relief.

(4) If no relief is granted by the council under paragraph (3) of this article and the country concerned still considers that its interests as a party to this agreement have suffered serious prejudice, it may withdraw from the agreement at the end of the crop

year by giving written notice to the government of the United States of America. If the matter was brought before the council in one crop year and the council's consideration of the application for relief was concluded in the subsequent crop year the withdrawal of the country concerned may be effected within 30 days of such conclusion by giving similar notice.

ARTICLE 22

Disputes and Complaints

(1) Any dispute concerning the interpretation or application of this agreement other than a dispute under Articles 19 and 20 which is not settled by negotiation shall, at the request of any country party to the dispute, be referred to the council for decision.

(2) In any case where a dispute has been referred to the council under paragraph (1) of this article, a majority of countries, or any countries holding not less than one third of the total votes, may require the council, after full discussion, to seek the opinion of the advisory panel referred to in paragraph (3) on the issues in dispute before giving its decision.

(3)(a) Unless the council unanimously agrees otherwise, the panel shall consist of:

(i) Two persons, one having wide experience in matters of the kind in dispute and the other having legal standing and experience, nominated by the exporting countries;

(ii) Two such persons nominated by the importing countries; and

(iii) A chairman selected unanimously by the four persons nominated under (i) and (ii) or, if they fail to agree, by the chairman of the council.

(b) Persons from countries whose governments are parties to this agreement shall be eligible to serve on the advisory panel. Persons appointed to the advisory panel shall act in their personal capacities and without instructions from any government.

(c) The expenses of the advisory panel shall be paid by the council.

(4) The opinion of the advisory panel and the reasons therefor shall be submitted to the council which, after considering all the relevant information, shall decide the dispute.

(5) Any complaint that any exporting or importing country has failed to fulfil its obligations under this agreement shall, at the request of the country making the complaint, be referred to the council, which shall make a decision on the matter.

(6) Subject to the provisions of Article 20, no exporting or importing country shall be found to have committed a breach of this agreement except by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries. Any finding that an exporting or importing country is in breach of this agreement shall specify the nature of the breach and if the breach involves default by that country in its obligations under Article 4 or 5, the extent of such default.

(7) Subject to the provisions of Article 20, if the council finds that an exporting country or an importing country has committed a breach of this agreement it may, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, deprive the country concerned of its voting rights until it fulfils its obligations or expel that country from participation in the agreement.

PART V.—ANNUAL REVIEW AND CONSUMPTION AND UTILIZATION OF WHEAT

ARTICLE 23

Annual Review of World Wheat Situation

(1) (a) Guided by the objectives of this agreement as set forth in Article 1, the council shall annually review the world wheat situation and shall inform exporting and importing countries of the effects upon the international trade in wheat of any of the facts which emerge from the review, in order that these effects be kept in mind by those countries in determining and administering their internal agricultural and price policies.

(b) The review shall be carried out in the light of information obtainable in relation to national production, stocks, prices, trade, including disposals of excess wheat supplies and special transactions, consumption and any other facts which may appear relevant. To facilitate this review the council may supplement such information by studies conducted in co-operation with any exporting or importing country.

(c) To assist it in its review of disposals of excess wheat supplies, exporting and importing countries shall inform the council of the measures taken by them to secure compliance with the principles that the solution to the problems involved in such disposals should be sought, wherever possible, through efforts to increase consumption, and that such disposals should take place in an orderly manner, and

that where excess wheat supplies are made available on special terms, such arrangements should be made without harmful interference with normal patterns of production and international commercial trade.

(d) Any exporting or importing country may for the purpose of the annual review submit to the council any information which it considers relevant to the attainment of the objectives of this agreement. Information so submitted shall be taken into account as appropriate by the council in carrying out the annual review.

(2) For the purposes of this article and those of Article 24, the council shall pay due regard to work done by the food and agriculture organization of the United Nations and other intergovernmental organizations, in order in particular to avoid duplication of work, and may, without prejudice to the generality of paragraph (1) of Article 34, make such arrangements regarding co-operation in any of its activities as it considers desirable with such intergovernmental organizations and also with any governments of members of the United Nations or the specialized agencies not parties to this agreement which have a substantial interest in the international trade in wheat.

(3) Nothing in this article shall prejudice the complete liberty of action of any exporting or importing country in the determination and administration of its internal agricultural and price policies.

ARTICLE 24

Consumption and Utilization of Wheat

(1) As appropriate, the council shall consider and inform exporting and importing countries of means through which the consumption of wheat may be increased. To this end the council may undertake, in co-operation with exporting and importing countries, studies of such matters as:

(a) factors affecting the consumption of wheat in various countries; and

(b) means of achieving increased consumption, particularly in countries where the possibility of increased consumption is found to exist.

Any exporting or importing country may submit to the council information which it considers relevant to the attainment of this purpose.

(2) Exporting and importing countries, recognizing the special problems of developing countries, shall pay due regard to the principle that excess wheat supplies should, where possible, be effectively utilized in raising levels of consumption and in assisting in general economic and market development in developing countries with low levels of individual income. Where such wheat is made available on special terms, the exporting and importing countries concerned undertake that such arrangements will be made without harmful interference with normal patterns of production and international commercial trade.

(3) Any exporting or importing country which makes excess wheat supplies available on special terms under a government assisted program undertakes to provide the council promptly with detailed information relating to such agreements entered into and to report regularly shipments made under such agreements.

PART VI.—GENERAL ADMINISTRATION

ARTICLE 25

Constitution of the Council

(1) The international wheat council, established by the international wheat agreement 1949, shall continue in being for the purpose of administering this agreement, with the membership, powers and functions provided in this agreement.

(2) Each exporting country and each importing country shall be a voting member of the council and may be represented at its meetings by one delegate, alternates, and advisers.

(3) Such intergovernmental organizations as the council may decide to invite to any of its meetings may each have one non-voting representative in attendance at those meetings.

(4) The council shall elect a chairman and a vice-chairman who shall hold office for one crop year. The chairman shall have no vote and the vice chairman shall have no vote while acting as chairman.

(5) The council shall have in the territory of each exporting and importing country, to the extent consistent with its laws, such legal capacity as may be necessary for the exercise of its functions under this agreement.

ARTICLE 26

Powers and Functions of the Council

(1) The council shall establish its rules of procedure.

(2) The council shall keep such records as are required by the terms of this agreement and may keep such other records as it considers desirable.

(3) The council shall publish an annual report and may also publish any other information (including, in particular, its annual review or any part or summary thereof) concerning matters within the scope of this agreement.

(4) In addition to the powers and functions specified in this agreement, the council shall have such other powers and perform such other functions as are necessary to carry out the terms of this agreement.

(5) The council may, by two thirds of the votes cast by the exporting countries and two thirds of the votes cast by the importing countries, delegate the exercise of any of its powers or functions. The council may at any time revoke such delegation by a majority of the votes cast. Subject to the provisions of Article 13, any decision made under any powers or functions delegated by the council in accordance with this paragraph shall be subject to review by the council at the request of any exporting or importing country made within a period which the council shall prescribe. Any decision, in respect of which no request for review has been made within the prescribed period, shall be binding on all exporting and importing countries.

(6) In order to enable the council to discharge its functions under this agreement, the exporting and importing countries undertake to make available and supply such statistics and information as are necessary for this purpose.

ARTICLE 27

Votes

(1) The votes to be exercised by the respective delegations of exporting countries on the council shall be those specified in annex B.

(2) The votes to be exercised by the respective delegations of importing countries on the council shall be those specified in annex C.

(3) Any exporting country may authorize any other exporting country, and any importing country may authorize any other importing country, to represent its interests and to exercise its votes at any meeting or meetings of the council. Satisfactory evidence of such authorization shall be submitted to the council.

(4) If at any meeting of the council an importing country or an exporting country is not represented by an accredited delegate and has not authorized another country to exercise its votes in accordance with paragraph (3) of this article, and if at the date of any meeting any country has forfeited, has been deprived of, or has recovered its votes under any provisions of this agreement, the total votes to be exercised by the exporting countries shall be adjusted to a figure equal to the total of votes to be exercised at that meeting by the importing countries and redistributed among exporting countries in proportion to their votes.

(5) Whenever any country becomes or ceases to be a party to this agreement, the council shall redistribute the votes within either annex B or annex C as the case may be, proportionally to the number of votes held by each country listed in that annex.

(6) No exporting or importing country shall have less than one vote and there shall be no fractional votes.

ARTICLE 28

Seat, Sessions and Quorum

(1) The seat of the council shall be London unless the council decides otherwise by a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries.

(2) The council shall meet at least once during each half of each crop year and at such other times as the chairman may decide.

(3) The chairman shall convene a session of the council if so requested by (a) five countries or (b) one or more countries holding a total of not less than 10 per cent of the total votes or (c) the executive committee.

(4) The presence of delegates with a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries prior to any adjustment of votes under Article 27 shall be necessary to constitute a quorum at any meeting of the council.

ARTICLE 29

Decisions

(1) Except where otherwise specified in this agreement, decisions of the council shall be by a majority of the total votes cast.

(2) Each exporting and importing country undertakes to accept as binding all decisions of the council under the provisions of this agreement.

ARTICLE 30

Executive Committee

(1) The council shall establish an executive committee. The members of the executive committee shall be not more than four

exporting countries elected annually by the exporting countries and not more than eight importing countries elected annually by the importing countries. The council shall appoint the chairman of the executive committee and may appoint a vice chairman.

(2) The executive committee shall be responsible to and work under the general direction of the council. It shall have such powers and functions as are expressly assigned to it under this agreement and such other powers and functions as the council may delegate to it under paragraph (5) of Article 26.

(3) The exporting countries on the executive committee shall have the same total number of votes as the importing countries. The votes of the exporting countries on the executive committee shall be divided among them as they shall decide, provided that no such exporting country shall have more than 40 per cent of the total votes of those exporting countries. The votes of the importing countries on the executive committee shall be divided among them as they shall decide, provided that no such importing country shall have more than 40 per cent of the total votes of those importing countries.

(4) The council shall prescribe rules of procedure regarding voting in the executive committee and may make such other provision regarding rules of procedure in the executive committee as it thinks fit. A decision of the executive committee shall require the same majority of votes as this agreement prescribes for the council when making a decision on a similar matter.

(5) Any exporting or importing country which is not a member of the executive committee may participate, without voting, in the discussion of any question before the executive committee whenever the latter considers that the interests of that country are affected.

ARTICLE 31

Advisory Committee on Price Equivalents

(1) The council shall establish an advisory committee on price equivalents consisting of representatives of not more than four exporting countries and of not more than four importing countries. The chairman of the advisory committee shall be appointed by the council.

(2) The advisory committee shall keep under continuous review current market conditions, including in particular the movement of prices for wheat and shall immediately inform the executive committee whenever in its opinion a maximum price declaration should be made under Article 13 or a situation of the type described in paragraph (1) or (4) of Article 14 has arisen or appears likely to arise. The advisory committee shall, in the exercise of its functions under this paragraph take into account any representations made by any exporting or importing country.

(3) The advisory committee shall advise in accordance with the relevant articles of this agreement and on such other matters as the council or the executive committee may refer to it.

ARTICLE 32

The Secretariat

(1) The council shall have a secretariat consisting of an executive secretary, who shall be its chief administrative officer, and such staff as may be required for the work of the council and its committees.

(2) The council shall appoint the executive secretary who shall be responsible for the performance of the duties devolving upon the secretariat in the administration of this agreement and for the performance of such other duties as are assigned to him by the council and its committees.

(3) The staff shall be appointed by the executive secretary in accordance with regulations established by the council.

(4) It shall be a condition of employment of the executive secretary and of the staff that they do not hold or shall cease to hold financial interest in the trade in wheat and that they shall not seek or receive instructions regarding their duties under this agreement from any government or from any other authority external to the council.

ARTICLE 33

Finance

(1) The expenses of delegations to the council, of representatives on the executive committee, and of representatives on the advisory committee on price equivalents shall be met by their respective governments. The other expenses necessary for the administration of this agreement shall be met by annual contributions from the exporting and importing countries. The contribution of each such country for each crop year shall be in the proportion which the number of its votes bears to the total of the votes of the exporting and importing countries at the beginning of that crop year.

(2) At its first session after this agreement comes into force, the council shall approve its budget for the period ending 31 July 1963 and assess the contribution to be paid by each exporting and importing country.

(3) The council shall, at a session during the second half of each crop year, approve its budget for the following crop year and assess the contribution to be paid by each exporting and importing country for that crop year.

(4) The initial contribution of any exporting or importing country acceding to this agreement under paragraph (4) of Article 35 shall be assessed by the council on the basis of the votes to be distributed to it and the period remaining in the current crop year, but the assessments made upon other exporting and importing countries for the current crop year shall not be altered.

(5) Contributions shall be payable immediately upon assessment. Any exporting or importing country failing to pay its contribution within one year of its assessment shall forfeit its voting rights until its contribution is paid, but shall not be relieved of its obligations under this agreement, nor shall it be deprived of any of its rights under this agreement unless the council so decides by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries.

(6) The council shall, each crop year, publish an audited statment of its receipts and expenditures in the previous crop year.

(7) The government of the country where the seat of the council is situated shall grant exemption from taxation on the salaries paid by the council to its employees except that such exemption need not apply to the nationals of that country. It shall also grant exemption from taxation on the assets, income and other property of the council.

(8) The council shall, prior to its dissolution, provide for the settlement of its liabilities and the disposal of its records and assets.

ARTICLE 34

Co-operation with other Intergovernmental Organizations

(1) The council may make whatever arrangements are desirable for consultation and co-operation with the appropriate organs of the United Nations and its specialized agencies and with other intergovernmental organizations.

(2) If the council finds that any terms of this agreement are materially inconsistent with such requirements as may be laid down by the United Nations or through its appropriate organs and specialized agencies regarding intergovernmental commodity agreements, the inconsistency shall be deemed to be a circumstance affecting adversely the operation of this agreement and the procedure prescribed in paragraphs (3), (4) and (5) of Article 36 shall be applied.

PART VII.—FINAL PROVISIONS

ARTICLE 35

Signature, Acceptance, Accession and Entry into Force

(1) This agreement shall remain open for signature in Washington from 19 April 1962 until and including 15 May 1962 by the governments of the countries listed in annexes B and C.

(2) This agreement shall be subject to acceptance by the signatory governments in accordance with their respective constitutional procedures. Subject to the provisions of paragraph (8) of this article, instruments of acceptance shall be deposited with the government of the United States of America not later than 16 July 1962.

(3) This agreement shall be open for accession by any government of a country listed in annexes B or C. Subject to the provisions of paragraph (8) of this article, instruments of accession shall be deposited with the government of the United States of America not later than 16 July 1962. However, any such government may, if it is not granted an extension of time under paragraph (8), and in any event after 16 July 1963, accede to this agreement in accordance with paragraph (4).

(4) The council may, by two thirds of the votes cast by exporting countries and by two thirds of the votes cast by importing countries, approve accession to this agreement by the government of any member of the United Nations or the specialized agencies or by any government invited to the United Nations wheat conference, 1962, and prescribe conditions for such accession, and in such a case the council shall establish the relevant datum quantities in accordance with Articles 12 and 15. Accession shall be effected by the deposit of an instrument of accession with the government of the United States of America.

(5) Part I and parts III to VII of this agreement shall enter into force on 16 July 1962 in part II on 1 August 1962 between those governments which have by that date deposited instruments of acceptance or accession under paragraph (2) or (3) of this article, provided that such governments hold not less than two thirds of the votes of exporting countries and not less than two thirds of the votes of importing countries, in accordance with the distribution established in annexes B and C. It shall enter into force

for any government which subsequently deposits an instrument of acceptance or accession on the date of such deposit.

(6) For the purposes of the entry into force of this agreement in accordance with paragraph (5) of this article, a notification by any signatory government or by any government entitled to accede to this agreement under paragraph (3) containing an undertaking to seek acceptance or accession to this agreement in accordance with constitutional procedures as rapidly as possible which is received by the government of the United States of America not later than 16 July 1962, shall be regarded as equal in effect to an instrument of acceptance or accession. It is understood that a government which gives such a notification will provisionally apply the agreement and be provisionally regarded as a party thereto until either it deposits its instrument of acceptance or accession in accordance with paragraph (2) or (3) or until the expiry of the period within which such instrument should have been deposited.

(7) If by 16 July 1962 the conditions laid down in the preceding paragraphs for the entry into force of this agreement are not fulfilled, the governments of those countries which by that date have accepted or acceded to this agreement in accordance with paragraph (2) or (3) of this article may decide by mutual consent that it shall enter into force among them, or they may take whatever other action they consider the situation requires.

(8) Any government which has not accepted or acceded to this agreement by 16 July 1962 in accordance with paragraph (2) or (3) of this article may be granted by the council an extension of time for depositing its instrument of acceptance or accession for any period until and including 16 July 1963.

(9) Where, for the purposes of the operation of this agreement, reference is made to countries listed in annexes B or C, any country the government of which has acceded to this agreement on conditions prescribed by the council in accordance with paragraph (4) of this article, shall be deemed to be listed in the appropriate annex.

(10) The government of the United States of America will notify all signatory and acceding governments of each signature, acceptance of an accession to this agreement and of all notifications made in accordance with paragraph (6) of this article.

ARTICLE 36

Duration, Amendment, and Withdrawal

(1) This agreement shall remain in force until and including 31 July 1965.

(2) The council shall, at such time as it considers appropriate, communicate to the exporting and importing countries its recommendations regarding renewal or replacement of this agreement. The council may invite any government of a member of the United Nations or the specialized agencies not party to this agreement which has a substantial interest in the international trade in wheat to participate in any of its discussions under this paragraph.

(3) The council may, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, recommend an amendment of this agreement to the exporting and importing countries.

(4) The council may fix a time within which each exporting and importing country shall notify the government of the United States of America whether or not it accepts the amendment. The amendment shall become effective upon its acceptance by exporting countries which hold two thirds of the votes of the exporting countries and by importing countries which hold two thirds of the votes of the importing countries.

(5) Any exporting or importing country which has not notified the government of the United States of America of its acceptance of an amendment by the date on which such amendment becomes effective may, after giving such written notice of withdrawal to the government of the United States of America as the council may require in each case, withdraw from this agreement at the end of the current crop year, but shall not thereby be released from any obligations under this agreement which have not been discharged by the end of that crop year. Any such withdrawing country shall not be bound by the provisions of the amendment occasioning its withdrawal.

(6) Any exporting country which considers its interests to be seriously prejudiced by the non-participation in this agreement of any country listed in annex C holding not less than 5 per cent of the votes distributed in that annex, or any importing country which considers its interests to be seriously prejudiced by the non-participation in the agreement of any country listed in annex B holding not less than 5 per cent of the votes distributed in that annex, may withdraw from this agreement by giving written notice of withdrawal to the government of the United States of America before 1 August 1962. If an extension of time has been granted by the council under paragraph (8) of Article 35, notice of withdrawal in accordance with this paragraph may be given before the expiry of 14 days after the extension granted.

(7) Any exporting or importing country which considers its national security to be endangered by the outbreak of hostilities may withdraw from this agreement by giving 30 days' written notice of withdrawal to the government of the United States of America or may apply in the first instance to the council for the suspension of any or all of its obligations under this agreement.

(8) Any exporting country which considers its interests to be seriously prejudiced by the withdrawal from this agreement of any country listed in annex C holding not less than 5 per cent of the votes distributed in that annex or any importing country which considers its interests to be seriously prejudiced by the withdrawal from the agreement of any country listed in annex B holding not less than 5 per cent of the votes distributed in that annex may withdraw from this agreement by giving written notice of withdrawal to the government of the United States of America before the expiry of 14 days from the withdrawal of the country which is considered to cause such serious prejudice.

(9) The government of the United States of America will inform all signatory and acceding governments of each notification and notice received under this article.

ARTICLE 37

Territorial Application

(1) Any government may, at the time of signature or acceptance of or accession to this agreement, declare that its rights and obligations under this agreement shall not apply in respect of all or any of the non-metropolitan territories for the international relations of which it is responsible.

(2) With the exception of territories in respect of which a declaration has been made in accordance with paragraph (1) of this article, the rights and obligations of any government under this agreement shall apply in respect of all non-metropolitan territories for the international relations of which that government is responsible.

(3) Any government may, at any time after its acceptance of or accession to this agreement, by notification to the government of the United States of America, declare that its rights and obligations under the agreement shall apply in respect of all or any of the non-metropolitan territories regarding which it has made a declaration in accordance with paragraph (1) of this article.

(4) Any government may, by giving notification of withdrawal to the government of the United States of America, withdraw from this agreement separately in respect of all or any of the non-metropolitan territories for whose international relations it is responsible.

(5) For the purposes of the establishment of datum quantities under Article 15 and the redistribution of votes under Article 27, any change in the application of this agreement in accordance with this article shall be regarded as a change in participation in this agreement in such manner as may be appropriate to the circumstances.

(6) The government of the United States of America will inform all signatory and acceding governments of any declaration or notification made under this article.

In witness whereof the undersigned, having been duly authorized to this effect by their respective governments, have signed this agreement on the dates appearing opposite their signature.

The texts of this agreement in the English, French, Russian and Spanish languages shall all be equally authentic. The originals shall be deposited in the archives of the government of the United States of America, which shall transmit certified copies thereof to each signatory and acceding government.

ANNEX A

Percentage Undertaking of Importing Countries

Austria	60
Belgium and Luxembourg	90
Brazil	30
Ceylon	80
Cuba	90
Dominican Republic	90
Federal Republic of Germany	87½
Federation of Rhodesia and Nyasaland	90
India	70
Indonesia	70
Iran	80
Ireland	90
Israel	60
Japan	85
Kingdom of the Netherlands	90
Liberia	70
Libya	70
New Zealand	90
Nigeria	80
Norway	90
Philippines	80
Poland	50
Portugal	85
Republic of Korea	90
Saudi Arabia	70
South Africa	90
Switzerland	87
United Arab Republic	30
United Kingdom	90
Vatican City	100
Venezuela	60

ANNEX B

Votes of Exporting Countries

Argentina	70
Australia	125
Canada	290
France	70
Italy	10
Mexico	5
Spain	5
Sweden	10
Union of Soviet Socialist Republics	125
United States of America	290
Total	1,000

ANNEX C

Votes of Importing Countries

Austria	6
Belgium and Luxembourg	33
Brazil	28
Ceylon	12
Cuba	12
Dominican Republic	2
Federal Republic of Germany	139
Federation of Rhodesia and Nyasaland	6
India	20
Indonesia	6
Iran	4
Ireland	11
Israel	6
Japan	154
Kingdom of the Netherlands	70
Liberia	1
Libya	3
New Zealand	14
Nigeria	4
Norway	18
Philippines	22
Poland	10
Portugal	9
Republic of Korea	2
Saudi Arabia	5
South Africa	10
Switzerland	23
United Arab Republic	16
United Kingdom	339
Vatican City	1
Venezuela	14
Total	1,000

HOUSE OF COMMONS

Thursday, April 12, 1962

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

Fifth report of standing committee on banking and commerce—Mr. Cathers.

STANDING ORDERS—CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Miss Margaret Aitken (York-Humber) presented the second report of the standing committee on standing orders, and moved that the report be concurred in.

Motion agreed to.

PROCEDURE—CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Hon. Gordon Churchill (Minister of Veterans Affairs) moved that the first report of the special committee appointed to consider with Mr. Speaker the procedure of this house, presented Tuesday, April 10, 1962, be concurred in.

Motion agreed to.

FINANCE

ENGINEERS' PLANS, ETC.—TABLING OF TARIFF BOARD REPORT

Hon. Donald M. Fleming (Minister of Finance): I wish to table a report which I have received from the tariff board. This is the board's report on reference No. 128 relating to engineers' and architects' plans, drawings and blueprints. I am tabling copies of the report in English and French, and also a transcript of the evidence taken at the public hearings.

This report contains recommendations relating both to rates of duty and to the method of determining the value for duty of plans, drawings, and blueprints. The report is being carefully studied.

HEALTH AND WELFARE

ANNOUNCEMENT OF WELFARE GRANTS FOR RESEARCH, ETC.—ESTABLISHMENT OF NATIONAL WELFARE COUNCIL

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I have an announcement to make which I believe represents a new breakthrough in Canada's welfare system.

I have today written provincial ministers informing them of the government's intention to initiate a new program of welfare grants designed to assist in overcoming major deficiencies in our present nation-wide network of welfare services. By 1967 these grants will result in the channelling of $2,500,000 annually in federal funds into the fields of general welfare, professional training, and research. Nothing like this has ever been done in Canada before, and I hope there will be discussions with provincial authorities in the near future with a view to obtaining their full co-operation in an endeavour which I believe will strengthen tremendously Canada's welfare efforts.

There are two separate grants involved. The one pertaining to general welfare and professional training will commence at a level of $450,000 for 1962-63 and increase at the rate of $450,000 annually for five years, reaching $2,250,000 by 1966-67. The other grant respecting welfare research will begin at a level of $50,000 in 1962-63 and increase at the rate of $50,000 annually for five years, reaching an amount of $250,000 in 1966-67. Funds for the current fiscal year will be provided through a supplementary estimate.

This new program will be complemented by the establishment of a national council of welfare, as announced in the speech from the throne. I hope to make a statement very shortly indicating the membership of the council, one of whose first tasks will be to assist in working out the details of the new grants system. As I have indicated previously, I would also like the council to consider a number of other important social security matters such as the development of a new and integrated approach to public assistance, and the need for an increase in the level of benefits under family allowances along with the question of raising the age limit at which such allowances are paid in the case of children who are still attending school.

In taking these historic initiatives in relation to welfare, the government is anxious to furnish a balance to the emphasis which has long been placed on the provision of cash benefits. Income maintenance payments such as old age assistance, blindness and disability allowances, and unemployment assistance are vitally important, but in many instances their effectiveness has been reduced to some extent by the shortage of human resources

necessary to implement them fully. The welfare grants and the new council will, we believe, go a long way toward giving a more positive impact to these measures.

As far as the welfare research grant is concerned, we have seen the benefits which have accrued from scientific research in many fields, including health. We feel that similar gains may well be registered as a result of concentrated and organized study of human problems such as long term dependency and juvenile delinquency. A good deal of work is, of course, already being done in such areas and it is our hope that federal assistance will provide the necessary added impetus to these efforts.

The welfare research grant will be made available on a non-matching basis, while the general welfare and professional training grant will be on a matching basis with the provinces except for two of its aspects, scholarships and fellowships, including travel costs, and teaching and field instruction grants. Neither grant will be allocated among the provinces but both will be held in a central pool similar to the method followed for public health research under the national health grants program.

Projects relating to the field of corrections of concern to the Department of Justice will also be covered by this program through cooperation between our two departments.

Mr. Speaker, the government has received many representations calling for the kind of program we are now initiating. As the Prime Minister told the annual meeting of the Canadian Welfare Council in May, 1961, we have also had a frank exchange of views with representatives of welfare organizations about what should be done. As a result, the government is particularly aware of the many serious problems being encountered in the welfare field and has come to the conclusion that a national system of welfare grants affords the best approach to their solution.

Hon. Paul Martin (Essex East): Mr. Speaker, I am sure the Minister of National Health and Welfare will accept in the spirit in which I say it, that we are all very happy to see this eruption to life on the part of the minister. The program he has announced, of course, must be examined in the light of the recommendations made to the government not in 1960, as the minister implied, but late in 1958, when the Canadian Welfare Council recommended the establishment of a program embodying some of the features which the minister announced today.

The grants to which the minister referred are positive matters to pursue, but as the minister so well knows they do not represent a new effort on the part of the government of Canada. It would be regrettable, however, if the minister were to use the appointment of the new council, the personnel of which has not yet been named, as a device to delay extending family allowance payments to school children up to age 18, as we in the Liberal party have proposed. That need not wait. Likewise we would hope that the establishment of this program would not in any way serve as a device to stand in the way of establishing for Canadians a national minimum pension of $75 a month on a contributory basis, as proposed by the Liberal party.

Some hon. Members: Oh, oh.

Mr. Speaker: The hon. member for Kootenay West.

Mr. Fleming (Eglinton): This is the party that said $46 a month was enough.

Mr. Hees: Remember the six bucks?

Mr. Pickersgill: Are we hearing from two buck Fleming?

Mr. Speaker: Order. I am not sure whether or not the house has reconciled itself to hearing the hon. member for Kootenay West.

Some hon. Members: No.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, members of this group always welcome any improvement in our social welfare program, however microscopic. We hope these decisions have not been timed to correspond with the urgent necessities of coming events.

Mr. Martin (Essex East): Elections are the only things that move this government, in any event.

GRAIN

ANNOUNCEMENT OF OPEN QUOTA FOR ALL DELIVERY POINTS

On the orders of the day:

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, for the first time in a decade all grain delivery points in western Canada have been placed on open quota. This marks the end of the longest period of elevator congestion in the history of Canada's grain trade. For ten years in succession restrictions on deliveries have had to be applied, so that grain producers who started farming since 1952 have never known a time of unrestricted deliveries.

The 1961 grain crop was a short one but of high quality and relatively few grades. This took the pressure off storage requirements. Coupled with this was the increased world demand for Canadian wheat that emptied elevator bins at an almost unprecedented rate.

Mr. Speaker, the end came today, when all delivery points were put on open quota by the wheat board.

Hon. Paul Martin (Essex East): Mr. Speaker, I am sure the country will welcome the fact that we are about to have a general election, as that is the only way by which we can get this government to do the things which have been urged for some time. What the Minister of Agriculture has announced was urged in this house two years ago—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —not only by members of the Liberal party—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. Perhaps the hon. member would allow me to attempt to obtain the hearing which his remarks deserve.

Mr. Martin (Essex East): I am sure you would agree, Mr. Speaker, that they deserve serious attention. As I said, it is a good thing we are having an election as this is the only way in which we have been able to get this government to do anything positive for those sections of the people who have been asking for attention. Notwithstanding what hon. gentlemen may say now by way of intervention, what the minister has announced today was urged by members of the Liberal party during the past two years—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —on behalf of certain sections of agriculture. We are glad that at long last coming events have joined with what we have urged in order to bring the government to some decision.

Mr. Brunsden: Mr. Speaker,—

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

Mr. Brunsden: I have a supplementary question.

Mr. Speaker: The hon. member is introducing his supplement too soon. I recognize the hon. member for Timiskaming.

Mr. Arnold Peters (Timiskaming): The New Democratic party also welcomes the announcement of the minister. In fairness to the farmers themselves I think it should be pointed out that the removal of quotas is desired as a long term program. However, it should be remembered that part of the reason this has been accomplished has been the sales ability of the wheat board, and part the drought condition last year. However, we welcome this announcement also and hope that the farmers who have some grain on hand are able to dispose of it now.

An hon. Member: Sour grapes.

[*Later:*]

On the orders of the day:

Mr. E. W. Brunsden (Medicine Hat): I wish to direct a question to the Minister of Agriculture arising out of his very welcome announcement of open grain quotas across the prairies, and with particular reference to the remarks on his statement made by the deputy farm leader of the opposition. Is it not true that there was an election in 1957, at which time the grain elevators across Canada were plugged with wheat?

Mr. Speaker: Order. I think the facts which the hon. member is seeking to elicit are known to all hon. members in the house.

EXTERNAL AFFAIRS

NUCLEAR TESTING—REPRESENTATIONS BY MEMBERS OF GENEVA DISARMAMENT CONFERENCE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Prime Minister a question arising out of reports to the effect that certain members of the Geneva disarmament conference have made representations to the governments of the United States and the Soviet union to the effect that there should be no resumption of tests while that conference is sitting. May I ask whether the Canadian government has associated itself with those representations?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, our representatives have had discussions both in Washington and in London about the whole situation at the Geneva conference, including the question of a possible nuclear test ban. These discussions have taken place within the last few days and are quite apart from any representations made by the eight unaligned countries.

Mr. Pearson: May I ask a supplementary question. Is it a fact that Canada is not included in those representations from the eight unaligned countries?

Mr. Green: I have not seen the report with regard to the representations by the eight. I am doubtful whether that report is accurate. Canada made her own representations.

NATIONAL DEFENCE

POLITICAL ACTIVITIES OF MEMBERS OF MILITIA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of National Defence. My question

is based on a telegram addressed to me which I received this morning. "Mundy—"

Mr. Speaker: Order. I question whether the hon. member is entitled to read a telegram addressed to himself as the basis of a question. It is rather unprecedented. Perhaps he would indicate what his question is.

Mr. Herridge: I want to ask a question based on a telegram I received this morning from Creston in which certain members of a militia unit who were accused of political activity deny such activity, as does the chaplain. The telegram also urges the Minister of National Defence—

Some hon. Members: Question.

Mr. Herridge: —to make his statements outside the house. Will he kindly oblige?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the statement I made yesterday was in effect a report for which the hon. member had asked with regard to the circumstances of the allegations he had made, and which were proved to be incorrect as far as the unit at Creston is concerned. I have no objection, of course, to giving this report outside the house or anywhere else.

Mr. Herridge: A supplementary question. The minister claimed that the chaplain and his associates carried on political activities during hours when the men were on duty. Will he make that statement outside the house?

Mr. Harkness: I made a statement in the house yesterday which the hon. member can read. I stand by that statement.

Mr. Fisher: Make it outside the house.

Mr. Harkness: I have confidence in the information I was given.

Mr. Herridge: Make it outside the house.

[*Later:*]

Mr. Herridge: Mr. Speaker, I wish to address another question to the Minister of National Defence. In view of the minister's statement yesterday that service regulations forbidding active participation in the affairs of any political organization apply to members of the reserve forces only in regard to political activities on service establishments or when engaged in strictly military duties, has the minister instructed Lieutenant Colonel Reynolds, commanding officer of the 8th field regiment, R.C.E. to rescind his order to Sergeant McSeveney and Corporal Nichol to resign from the Creston New Democratic party club?

Mr. Harkness: Mr. Speaker, as I indicated yesterday the situation was as reported. I have no information that, as alleged by the hon. member on April 9, the chaplain of the regiment and the two N.C.O.'s were asked to resign their membership in the New Democratic party. The allegation made by the hon. gentleman is completely incorrect. The chaplain was asked only to refrain from engaging in political activities in the armouries and among personnel when in uniform. The two N.C.O.'s were asked to stop their political activities while they were on call out serving full time with the Canadian army.

Mr. Herridge: A supplementary question. As the minister is incompletely and inaccurately informed would he further investigate this matter?

Mr. Harkness: Mr. Speaker, I think the situation is that the hon. member has been unmasked in attempting to make political capital out of an incident which occurred and he does not have sufficient good judgment now to keep quiet.

Mr. Speaker: Order. I think both hon. members would do well not to lecture each other.

Mr. Herridge: I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: If the hon. member has a question of privilege I shall hear him.

Mr. Herridge: The minister has no right to say that I am making political capital out of this incident. I wish to see justice done to Canadian citizens and their rights preserved. No one in the militia should be given an order like that by a colonel of another political persuasion.

(Translation):

PARLIAMENT BUILDINGS

EAST BLOCK—USE OF BILINGUAL SIGNS

On the orders of the day:

Mr. V. F. Dubois (Richmond-Wolfe): Mr. Speaker, I should like to ask the Minister of Public Works a question.

Is the minister aware that the vast majority of posters, inscriptions, etc. in the east block are printed in one language only?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I am pleased to inform the hon. member for Richmond-Wolfe that on March 22 last, the Parliamentary Secretary to the Prime Minister, the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) addressed a letter to me pointing out that anomaly.

Following that letter, I gave necessary instructions to have all inscriptions replaced by bilingual ones.

(Text):

[*Later:*]

Mr. Harold Hicks (Fraser Valley): I wish to direct a question to the Minister of Public Works. I should like to inquire whether provision is being made in the renovation of the west block or elsewhere for the use of a lounge by hon. members' secretaries, as we are making streetwalkers of these—

Some hon. Members: Oh, oh.

Mr. Hicks: —pardon me; I did not mean it that way.

Mr. Speaker: I suggest that the hon. member communicate with the Speaker.

Mr. Hicks: I apologize for that expression, Mr. Speaker. I meant of course that they have to walk in the streets instead of having a place to rest during the noon hour.

Mr. Walker: While this matter is being inquired into, perhaps they could use the room of the hon. member.

COAL

MARITIME PROVINCES—FURTHER UTILIZATION BY LOCAL INDUSTRIES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, on Tuesday, April 10 the hon. member for Gloucester asked me if I had received a brief from Premier Stanfield of Nova Scotia and Premier Robichaud of New Brunswick with regard to further utilization of maritime coal. Such a brief has been received and the representations are under study.

Mr. H. J. Robichaud (Gloucester): A supplementary question. Would the Prime Minister advise the house on what date the brief was received, and whether it has been brought to the attention of the ministers or departments concerned?

Mr. Diefenbaker: Mr. Speaker, briefs are always brought to the attention of the ministers concerned.

[*Later:*]

Mr. Robichaud: I wish to direct a question to the Prime Minister. Will the Prime Minister advise the house whether he will agree to table the brief presented to him on March 7 by Premier Stanfield and Premier Robichaud on outlets for maritime coal? My reason for asking the question is that it appears now that the Minister of Mines and Technical Surveys and the officials of the dominion coal board have not been made aware of that brief.

Inquiries of the Ministry

Mr. Diefenbaker: Apparently the hon. gentleman is not looking for information; he is giving information. As to the words in the earlier part of his alleged question, I shall give consideration to them.

(Translation):

SHIPPING

ST. LAWRENCE RIVER—GOVERNMENT ACTION IN DISPUTE RESPECTING PILOTS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Minister of Transport. What steps does the minister intend to take, following the statement made by the shipowners to the effect that they will operate their ships without the help of the pilots who are now holding meetings?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, about that work stoppage of the St. Lawrence pilots, as I said yesterday, I met them and they have submitted new requests, much more moderate than their previous ones, which are now being discussed with the representatives of the Shipping Federation.

I intend to convene both groups again about those requests today, and I am confident that they will come to an agreement before very long, in the interest of both groups and of the public at large.

As for the question asked by my hon. friend, I have nothing to add to what I said the other day, that is that the minister and the Department of Transport are responsible for shipping operations on the St. Lawrence and, according to the requirements of the act, have to provide the necessary aids to navigation on the St. Lawrence. We intend to abide by the provisions of the act.

Mr. Chevrier: A supplementary question, Mr. Speaker.

Has the minister informed the shipowners that their action, in the case of the question that has been asked, would be illegal, as he indicated to the pilots that their strike was illegal?

Mr. Balcer: Mr. Speaker, the Shipping Act provides that any ship going up the St. Lawrence has to pay a pilot's fee, whether there is a pilot or not operating her.

As far as our department is concerned, all it can require of a ship plying the St. Lawrence is that she pays the pilot's fee.

If the ship in question is plying up or down the St. Lawrence without a pilot, well, it is a decision for the ship to take; our department cannot take that decision.

Inquiries of the Ministry

Mr. Chevrier: Is the minister aware of section 375B of the Merchant Marine Act, which says that shipowners must have a pilot from St. Regis up?

An hon. Member: St. Regis—

(Text):

Mr. Chevrier: May I direct a question to the Minister of Labour and ask him whether, in his view of the fact that the parties to the dispute between the pilots and the shipping federation have not been successful in getting together, and in view of the further fact that there is a grave danger to navigation if ships are moved without pilots, he will lend his good offices and those of his departmental officers in order to bring these parties together.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I have listened to the great many questions that the hon. member for Laurier has directed to the Minister of Transport and myself with respect to this dispute. I am sure the hon. member is just as anxious as we are, or should be, that this dispute be settled. I am also sure he is aware of the fact that the Minister of Transport is devoting a great deal of time and energy to bringing about a settlement between these two parties. Consequently I think all this barrage of questions is not doing this dispute any good at all.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chevrier: Mr. Speaker, I rise on a question of privilege. I have no intention of being lectured on what my responsibilities are by the Minister of Labour.

Some hon. Members: Oh, oh.

An hon. Member: Don't be so touchy.

Mr. Speaker: Order.

Mr. Chevrier: The fact is that the Minister of Labour, who refused yesterday to reply to a question as to whether this was a legal or an illegal strike, notwithstanding the fact that his colleague had said it was an illegal strike, should be—

Some hon. Members: Order.

Mr. Speaker: Order. Orders of the day.

Mr. Chevrier: Mr. Speaker, I was on a question of privilege, and I submit to you—

Mr. Speaker: I heard the hon. member's question of privilege. It seems to me that it is a point of order. I agree that the hon. member should not be lectured on the questions that he asks; it is his perfect right to ask questions. As the hon. member has raised the point, I consider the matter disposed of.

Mr. Chevrier: Mr. Speaker, I had not completed what I intended to say.

Mr. Speaker: The hon. member did not complete what he intended to say because he departed into some irregular utterances himself, which prompted me to intervene.

Mr. Chevrier: But the minister was going on to lecture a member of the opposition on a matter concerning which he says he has absolutely nothing to do, and I am trying to say to the minister now—

Mr. Speaker: Order. There will be opportunity for debate if we can get to the orders of the day. The hon. member for St. Mary.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, may I raise a question—

Some hon. Members: Sit down.

Mr. Speaker: Order. I just recognized the hon. member for St. Mary. I will hear the hon. member as soon as I have heard him.

Mr. Pickersgill: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Pickersgill: I rose on a question of privilege affecting the rights of the opposition in this house.

Mr. Harkness: Order.

Mr. Speaker: Order. The hon. member is entitled to rise on a question of privilege when he gets the floor, if it arises out of something that has been said by the hon.—

Mr. Pickersgill: It does arise out of the incident which just ended.

Mr. Speaker: —member who has the floor, or if the hon. member for St. Mary defers.

Mr. Georges Valade (St. Mary): Mr. Speaker, I do not have much chance to ask a question, with the four members of the Liberal party. I have a question to ask the Minister of Transport.

Mr. Pickersgill: Mr. Speaker—

Mr. Speaker: Order. I will hear the hon. member for St. Mary. I did recognize him before the hon. member for Bonavista-Twillingate rose, and therefore I think he has the floor.

Mr. Valade: Thank you, Mr. Speaker, for giving a lesson on procedure to the hon. member for Bonavista-Twillingate. I have a question to ask the Minister of Transport.

[*Later:*]

Mr. Pickersgill: Mr. Speaker, I rise on a question of privilege affecting the rights of the opposition—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —arising out of the exchange between the Minister of Labour and my hon. friend from Laurier. My point is this, that we on this side of the house listened politely and without interruption—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —politely and without interruption to the lecture delivered by the Minister of Labour, which was totally out of order and a gratuitous reflection upon the conduct of a senior member of the opposition.

Some hon. Members: Oh, oh.

Mr. Pickersgill: When that senior member of the opposition rose on a question of privilege he was interrupted, just as I am being interrupted now, by the catcalls of the majority in this house. I submit to Your Honour that the opposition is being put in an intolerable position—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —by this constant barrage that takes place when any hon. member on this side gets up to reply to these gratuitous observations made by ministers of the crown which are listened to in silence.

Some hon. Members: Hear, hear.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, just so the record will be clear I simply say that what the hon. gentleman has said is not in accordance with the facts, and apparently—

Mr. Martin (Essex East): Order.

Mr. Diefenbaker: Who is interrupting now?

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): On a point of order—

Mr. Ricard: Pious Paul.

Mr. Martin (Essex East): —what the Prime Minister has said—

Some hon. Members: Order.

Mr. Martin (Essex East): —is not in order, and I would ask him—

Mr. Speaker: Order.

Some hon. Members: Sit down.

Mr. Muir (Cape Breton North and Victoria): You continue to defy the Speaker.

Mr. Speaker: Order. If the hon. member's point of order arises out of what the Prime Minister said, perhaps he is justified in interrupting.

Mr. Martin (Essex East): Mr. Speaker, that is obviously what I was doing. What the Prime Minister was about to do was clearly out of order. I am asking Your Honour, with great respect, to remind the Prime Minister that he has no right to speak on the matter or discuss it, as he is now doing. He is clearly out of order and he should be so told.

Mr. Speaker: I thought the Prime Minister was commenting on the matter which was raised by the hon. member for Bonavista-Twillingate. I considered that the statement made by the hon. member, having put the issue, was open to comment.

Mr. Diefenbaker: May I say to the hon. member for Essex East, in words which Mr. Churchill once used, that he is generating such an amount of explosive material internally that I worry about his condition.

He mentioned a moment ago an eruption to life. The statements made, allegedly on a question of privilege, by the hon. member for Bonavista-Twillingate are not in accordance with the facts. This is simply placing on record by way of exculpation in advance a state of affairs which is not correct.

Mr. Pickersgill: Mr. Speaker—

Mr. Speaker: Perhaps the hon. member would permit me to say this. He may feel there is something to be corrected, but statements have been made about the attention given by one side of the house to the other. Hon. members know what the situation is, and there is no need to debate it. I consider we would make better progress by proceeding with the order of business rather than by pursuing the matter. It is quite improper, of course, for either side of the house to barrack —I think that word was used—or interrupt vociferously in a manner which makes it difficult, if not impossible at times, for the member who has the floor to speak. But I certainly should not want to single out as a matter of privilege the conduct of any individual in the circumstances which exist at this time when it seems to me there is more than the usual exuberance in the house.

Mr. Pickersgill: I rise on a further question of privilege arising out of what the Prime Minister has said. The Prime Minister has said that I made a statement which is not in accordance with the facts. That amounts to saying I knowingly made a statement which is untrue, which is contrary to the rules of the house. I am not going to ask the Prime Minister to withdraw. The facts are well

known; they have been observed by everyone here this afternoon, and they can be judged by the record.

An hon. Member: They will be.

Mr. Speaker: Hon. members interpret statements in their own way sometimes. In any event, I trust that the house is satisfied to proceed.

PIPE LINES

NORTHERN ONTARIO CORPORATION—EFFECT OF MUNICIPAL TAXATION

On the orders of the day:

Hon. George H. Hees (Minister of Trade and Commerce): On Tuesday the hon. member for Port Arthur asked me a question regarding the effect of the Ontario legislation in respect to municipal taxation of pipe lines on the revenues of the Northern Ontario Pipe Line Crown Corporation. I have been advised by the president of the corporation that it is a provision of the agreement between this corporation and Trans-Canada Pipe Lines Limited, covering the lease of the northern Ontario section, that Trans-Canada will pay all taxes, rates, duties and assessments of every kind. Accordingly the legislation referred to by the hon. member has no effect on the revenues of the corporation.

(Translation):

BRIDGES

JACQUES CARTIER AND VICTORIA BRIDGES, MONTREAL—INQUIRY AS TO TOLL CHARGES

On the orders of the day:

Mr. Maurice Johnson (Chambly-Rouville): Mr. Speaker, I should like to ask the Minister of Transport a question.

Is the minister now in a position to acquaint the house with the results of yesterday's meeting between federal and provincial authorities in connection with the removal of tolls on the Jacques Cartier and Victoria bridges?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, as I said yesterday, the discussions that took place here in Ottawa between representatives of the three administrations concerned were at the level of the officials of those various governments. Each representative must report to his own government, and after those reports have been received the governments will get in touch. In brief, that means that as soon as we have received those reports, we shall inform the house.

[Mr. Pickersgill.]

Mr. Georges Valade (St. Mary): Is the minister in a position to tell if, prior to March 31, 1958, representations had been made to the Department of Transport in order to abolish the tolls on the Jacques Cartier and Victoria bridges?

Mr. Balcer: Mr. Speaker, the toll issue on the Jacques Cartier and Victoria bridges is another one of those questions left unsolved by our predecessors during the 22 years they were in office. This is, I believe, what my hon. friend wanted to know.

(Text):

NUCLEAR ENERGY

ROLPHTON, ONT.—OPERATION OF NEW PLANT

On the orders of the day:

Mr. A. E. Robinson (Bruce): I wish to direct a question to the Minister of Veterans Affairs through whose department Atomic Energy of Canada is handled. Has the nuclear power plant at Rolphton gone into operation?

Hon. Gordon Churchill (Minister of Veterans Affairs): The nuclear power plant at Rolphton, Ontario, became critical as the scientific term expresses it, at 2.40 a.m. yesterday, and considerable attention has been paid to this important event by the press of the country. The power station will not be fully effective, that is it will not be generating steam and transferring electricity into the Ontario grid until sometime later this year because of tests which must now be carried on to make sure that the reactor is working properly, but it is an important advance in the development of power from atomic sources.

The N.D.P. station has cost $33 million. It is a co-operative project among Atomic Energy of Canada Limited, Ontario hydro and the Canadian General Electric Company. It will have an electricity output of 20,000 kilowatts, and is the prototype for larger plants such as the 200,000 kilowatt Douglas point nuclear power station which is now under construction near the shore of lake Huron.

[*Later:*]

Mr. Robinson: May I address a supplementary question to the Minister of Veterans Affairs. Can the minister advise the house of the progress which is being made in the construction of the large Candu nuclear power plant in Bruce county?

Mr. Churchill: Progress is going on according to plan, and that very large nuclear power plant is expected to be in operation in 1964.

MINES AND TECHNICAL SURVEYS

RESEARCH INTO NON-NUCLEAR USES OF URANIUM

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I wish to direct a question to the Minister of Mines and Technical Surveys. Can he confirm a statement reported to have been made the other day in Elliot Lake by the chief of research for his department, Dr. John Convey, that in two years the department's research into non-military uses of uranium could approach a state at which sufficient uranium could be needed to keep all mines at Elliot Lake in production?

Hon. Jacques Flynn (Minister of Mines and Technical Surveys): I shall take the hon. member's question as notice.

INDIAN AFFAIRS

NANAIMO, B.C.—REPRESENTATIONS OF NATIVE BROTHERHOOD RESPECTING TIMBER SALE

On the orders of the day:

Mr. Frank Howard (Skeena): I wish to direct a question to the Minister of Citizenship and Immigration. Can the minister, as the result of representations made to her by Rev. Dr. Peter Kelly of the native brotherhood of British Columbia, on behalf of the Fort Simpson band in respect of the sale of timber on the Tsimpsean reserve No. 2, make an announcement to the house with regard to whatever decision has been reached?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I think the hon. member is under some misapprehension. There is no decision to be made. I announced in the house that new tenders would be called, and they will be called as soon as the specifications are drawn.

DOIG RIVER, B.C.—REPORTED CLOSING OF SCHOOL

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder whether the Minister of Citizenship and Immigration has seen two articles which appeared in the *Alaska Highway News* of April 5 which indicate that the school of the Doig river Indians in British Columbia is once more closed, and that conditions among the Indians do not appear to be satisfactory. If the hon. lady has not seen the clipping I will be pleased to send it to her. Perhaps she would be good enough to have the matter looked into.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I am fully acquainted with the situation. The hon. member may recall that I said previously these people are not living on a reservation. They left the reservation and went to a crossroads because there was a store there. The store has now been closed and they are in the wilderness, so to speak. Efforts are being made to have them return to the reserve, where there is a school which will take care of them.

Mr. Pickersgill: There are certain other conditions referred to in the article. I wonder whether the hon. lady would look into it and report at a later date.

FISHERIES

LONDON, ONT.—CHANGE IN LOCATION OF RESEARCH STATION

On the orders of the day:

Mr. P. V. Noble (Grey North): I wish to direct a question to the Minister of Fisheries. Has any decision been reached regarding the erection of a permanent building for the fishery research station now located in London and, if so, where is it to be built? Further, if a new location is contemplated, would the ideal area in Grey North, bordering on Georgian bay, be given serious consideration?

Mr. Speaker: Order. The question is one appropriate for the order paper. If the minister is able and willing to answer, I do not object.

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I can say that the lease on the present accommodation in London does not expire for a number of years yet, I think in 1966. Therefore no decision has yet been taken as to when or where permanent accommodation might be built, but careful consideration will be given to all the pertinent factors before any permanent location is selected.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Could I ask the minister a supplementary question. Could the minister say whether any steps have been taken to improve the accommodation of the Department of Fisheries with a new permanent building in St. John's.

Mr. MacLean (Queens): I am not clear on the hon. member's question. Did he refer to the research board?

Mr. Pickersgill: For the activities of the Department of Fisheries generally, including the research board, in St. John's.

Mr. MacLean (Queens): This is a matter that has been under constant review. The situation has improved considerably. I think it was two years ago that accommodation

occupied by the provincial government in the research board building eventually became available to the board, which relieved the situation somewhat. But the general problem of suitable accommodation in the St. John's area is under review.

BUSINESS OF THE HOUSE

REQUEST THAT HOUSE SHOULD NOT SIT ON APRIL 19

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister and ask him if he does not think his decision to sit on April 19 should be amended, in view of the fact that it is a holy day and for some of us it would be a matter of some inconvenience.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I was unaware of that fact when I mentioned the date yesterday. I certainly would not do anything to have the house sit on a holy day.

(Translation):

SECRETARY OF STATE

DOCUMENTS ISSUED IN BOTH OFFICIAL LANGUAGES

On the orders of the day:

Mr. J. N. Tremblay (Roberval): Mr. Speaker, I should like to put a question to the Secretary of State.

Can the minister tell us how many posters, forms, signs or other documents are now, as a result of his initiative, issued or published in the two official languages of the country—

Some hon. Members: Order.

Mr. Tremblay: —thus showing the progress made in the field of bilingualism during the last four or five years?

Some hon. Members: Order paper.

Mr. Tremblay: Could the minister—

Some hon. Members: Order paper.

Mr. Tremblay: —if a request is put forward to him in the appropriate way, produce a list of such documents?

(Text):

Some hon. Members: Order paper.

Mr. Speaker: I am sorry, but I did not hear all the question because of interruptions. What I did hear inclined me to the view that the question is properly one which should go on the order paper. If the hon. member wishes to repeat his question, and the house will permit me to hear it—

[Mr. MacLean (Queens).]

(Translation):

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I shall be glad to produce the list the hon. member is asking for.

(Text):

AIR TRANSPORT

C.P.A.—APPROVAL OF FLIGHTS FROM WESTERN CANADA TO LONDON

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to address a question to the Minister of Transport. In the light of his statement made in this house some eight months ago that the government had decided to grant an international air service route to C.P.A. from Calgary-Edmonton to London, may I ask the minister if landing rights have yet been authorized by the United Kingdom government at London?

Hon. Leon Balcer (Minister of Transport): As I have said earlier, we are in communication with the minister of civil aviation of Great Britain and a meeting is being set up between senior officials of his department and my department. According to the latest correspondence from Right Hon. Peter Thorneycroft, this meeting will take place late in May.

Mr. Chevrier: May I ask a supplementary question. Why did the minister make the announcement eight months ago when the authorization to land in London had not been granted?

Mr. Balcer: I imagine the hon. member for Laurier does not know that we had a meeting here between Mr. Thorneycroft and myself, and certain events have taken place in the last eight months. The hon. member should go back and read the papers, and he will get his answer.

OLD AGE ASSISTANCE

QUEBEC—REPORTED NON-PAYMENT OF SUPPLEMENTARY ALLOWANCES

On the orders of the day:

Mr. Maurice Johnson (Chambly-Rouville): I wish to direct a question to the Minister of National Health and Welfare. Has the minister seen a copy of a form letter sent out by the social allowances commission in Quebec to old age pensioners who were receiving supplementary allowances? If so, can he explain why the recipients have only now been informed that they are being paid for the last few months of last year and that they were no longer eligible for the supplementary allowances as from February 1, 1962?

Hon. J. W. Monteith (Minister of National Health and Welfare): This situation seems to have been caused by the fact that the Quebec social allowances commission did not process until quite recently some applications they had received from pensioners for special assistance of this type. Welfare matters such as this are administered by the provinces, though my department pays one half the cost under the Unemployment Assistance Act. Under this act the provinces are free to grant whatever aid is required on the basis of individual need.

The Quebec commission seems to consider that on this basis some people at least do not require more than $65 per month. Thus the pensioners whose income was raised to that level by supplementary allowances are now receiving only federal old age security, which means that my department is paying all the extra cost instead of one half of it. Of course if the commission feels that in individual cases a higher payment is warranted, we would still be prepared to share the added cost under unemployment assistance.

Mr. J. F. Browne (Vancouver-Kingsway): I wonder if the minister could tell us what has been the reaction from British Columbia in regard to this cost sharing program.

Mr. Monteith (Perth): We have had no word whatsoever from the province of British Columbia, it being the only province from which we have not heard. We have no indication whether or not they intend to participate in the welfare increases.

ROYAL CANADIAN NAVY

ALLOCATION OF CONTRACTS UNDER CONSTRUCTION PROGRAM

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I wish to direct a question to the Minister of Transport arising from yesterday's announcement by the Minister of National Defence regarding the building of eight warships in Canadian yards. Can the minister indicate whether the maritime commission is working with Defence Construction Limited to see that contract tenders are shared by the maritimes, Quebec, the great lakes and the Pacific coast areas when these ships are being constructed?

Hon. D. S. Harkness (Minister of National Defence): The maritime commission allocates these ships. In some cases a tender is called; in others it is a question of a negotiated price. Every effort is made to distribute the shipbuilding work in as equitable a manner as possible among the yards in Canada which are capable of carrying on this type of construction.

Mr. Fisher: I wonder if the minister could indicate whether there has recently been a reappraisal of the yards in order to find out which ones are capable of doing this work. I ask this question because in recent years contracts have tended to go to only two yards.

Mr. Harkness: The allegation which has just been made is completely inaccurate. At the present time there are six destroyer escorts under construction, and they are at six different yards.

PUBLIC BUILDINGS

EAST ANGUS, QUE.—SALE OF POST OFFICE

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I wish to direct a question to the Minister of Public Works. According to an article in *La Tribune* of April 5 the government is about to sell the post office building at East Angus. It is reported that the Tory candidate in Compton-Frontenac, Mr. Bill Clifford, is responsible for the sale of that building at a reduced price. If that report is correct can the minister assure the house that the public interest will be well protected?

Mr. Georges Valade (St. Mary): Mr. Speaker, I rise on a point of order. I regret that as a backbencher I have to rise and call the attention of hon. members to the rules of the house. I refer to citation 177 of Beauchesne's fourth edition, which refers to the question—

Mr. Speaker: Order. The hon. member may raise a point of order with respect to some incident that has happened, but if he wishes to raise a point of order in general with respect to the entire opposition, I am afraid that would be rather novel.

Mr. Valade: Mr. Speaker, I refer to the question just asked by the hon. member for St. Denis.

Mr. Brassard (Lapointe): We have a Speaker, by the way.

Mr. Valade: I think there is an important lesson here which may be presented by backbenchers. I refer to citation 177 of Beauchesne's fourth edition, which states in part:

> Reading telegrams, letters or extracts from newspapers as an opening to a question when the orders of the day are called is an abuse of the rules of the house.

Further along it says:

> It is the member's duty to ascertain the truth of any statement before he brings it to the attention of parliament.

Mr. Brassard (Lapointe): Was the hon. member here in 1956?

Mr. Valade: Before the question was answered I merely wished to direct the attention of the hon. member for St. Denis to this rule.

Mr. Speaker: Of course the question has been disposed of and answered now, and it may be that the point is taken too late to be effective in this case; but there is a precedent for requiring an hon. member to take the responsibility for the truth of the facts on which he founds a question. I think perhaps unfortunately this has been overlooked a good deal in our practice. In any event, I think the point has perhaps now passed its usefulness.

Mr. Denis: Mr. Speaker, may I be permitted to say a word on the point of order. I wish to inform the house that I did not read a word of the newspaper clipping. The words I used were mine, and I take responsibility for them. I merely wished to inform the house that the Tory candidate is trying to sell a public building for almost nothing, and I feel the public interest should be protected.

Mr. Speaker: Order. The hon. member is taking advantage of the floor to make statements that certainly are not in order.

Mr. Chevrier: Government members do that repeatedly, sir.

(Translation):

FLAGS

INQUIRY AS TO RECEIPT OF MODEL DESIGNS

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I ask the Secretary of State if he has received designs of the various flags recommended by the Leader of the Opposition (Mr. Pearson)? If so, what are they?

Mr. Augustin Brassard (Lapointe): Mr. Speaker, I wish to direct a question—

(Text):

Mr. Speaker: If the hon. member for Lapointe is asking a question supplementary to that asked by the hon. member for Joliette-L'Assomption-Montcalm may I point out I did not accept the previous question.

(Translation):

Mr. Brassard (Lapointe): Mr. Speaker, I wish to ask the Secretary of State if his department still has the flag design proposed by the Prime Minister—

[Mr. Valade.]

(Text):

Mr. Speaker: Order. I did not consider that the question was a proper one to be asked on orders of the day, and I believe it was not answered.

Mr. Martin (Essex East): It was allowed to be asked, Mr. Speaker. That is the point.

Mr. Speaker: Orders of the day.

Mr. Brassard (Lapointe): Mr. Speaker, may I please direct a supplementary question to the Secretary of State?

Mr. Speaker: May I inquire whether the Secretary of State answered the question?

Hon. Noel Dorion (Secretary of State): No, Mr. Speaker.

Mr. Speaker: I had not allowed the question. If the hon. member has a question that is his own I would be glad to hear him, but I will not entertain a supplementary question to a question that I did not consider to be in order.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I rise on a question of privilege. The first question was allowed; it is now on the record. While the Secretary of State did not rise to reply to it, surely the hon. member for Lapointe has the right to ask a similar or a supplementary question, since the other question was not ruled out of order.

Mr. Speaker: I am sorry that I cannot agree with the hon. member. If the question was such as to raise the privileges of the house or of the hon. member or a point of order, then the hon. member should address himself to the Chair; but if no such point is involved in the question I consider that a supplementary question to a question that is not in order would also not be in order.

Mr. Brassard (Lapointe): Then, Mr. Speaker, I do not have a supplementary question to ask of the Secretary of State; I simply have a question to ask of him.

Mr. Valade: Is it in order?

Mr. Brassard (Lapointe): We have a Speaker here in the house.

(Translation):

Mr. Brassard (Lapointe): Mr. Speaker, I just wish to ask the Secretary of State if he has received the flag design proposed, in 1945, by the Prime Minister of Canada?

(Text):

Mr. Speaker: The question is of the same category as the question to which it was supplementary.

Mr. Pickersgill: Mr. Speaker, I rise on a point of order.

Some hon. Members: Two-flag Jack.

(Translation):

An hon. Member: Two flags.

(Text):

Hon. J. W. Pickersgill (Bonavista-Twillingate): If I correctly apprehended the question it was of an entirely different order. It asked the Secretary of State whether he had received the design of a certain flag. It has been the custom over the years for the secretary of state to receive the designs which are sent to the government from time to time, and to file them in his department. I know this because I was once secretary of state. It therefore seems to me the question comes within the accepted ambit of the functions of the Secretary of State.

Mr. Speaker: Perhaps the hon. member has a point. What design was it that the question related to?

(Translation):

Mr. Brassard (Lapointe): Mr. Speaker, all those who have read the minutes of proceedings of the committee entrusted with the study of the various flag designs in 1945 know it very well. I put again the question to the Secretary of State. In 1945 the hon. member who is now the Prime Minister of Canada (Mr. Diefenbaker) suggested a national flag, which was in no way of a distinctive nature. I want to ask him if he has this flag design in his files.

Hon. Noel Dorion (Secretary of State): Mr. Speaker, in 1945 I had not yet entered the field of federal politics.

(Text):

CANADA GRAIN ACT

AMENDMENTS RESPECTING MUSTARD SEED AND RAPESEED

Hon. Alvin Hamilton (Minister of Agriculture) moved the third reading of Bill No. S-19, to amend the Canada Grain Act.

Mr. Arnold Peters (Timiskaming): I should like to ask the Minister of Trade and Commerce or the Minister of Agriculture whether any consideration has been given to the matter we raised yesterday. I refer to an apparent conflict between the terms of the Canada Grain Act, which is now being changed to include mustard seed and rapeseed, and the provincial laws relating to noxious weeds. Many of the provinces consider that mustard falls into this category. I was wondering whether any consideration has been given since yesterday to this particular matter and whether some protection can be given in the matter of differentiation in the new Canada Grain Act and the provincial acts—I refer to differentiation in the matter of mustard seed—which also class this as a weed.

Mr. Hamilton (Qu'Appelle): Mr. Speaker, I assume that if I speak I will close the debate. Is that the situation?

Mr. Speaker: No. As to whether the minister has a right to speak, by leave of the house he might answer the question.

Mr. Pickersgill: I think we wish to preserve the rules of the house. I do not wish to prevent the minister from speaking. However, it should be done only by unanimous consent. By moving third reading the minister has exhausted his right to speak. Your Honour, of course, has often made that decision. However, I should hope there would be unanimous consent to allow him to reply.

Mr. Speaker: Is it agreed that the minister may answer the question without closing the debate?

Some hon. Members: Agreed.

Mr. Hamilton (Qu'Appelle): The question asked by the hon. member for Timiskaming is one to which it is extremely difficult to give a precise answer. There has been a great deal of discussion in the western provinces as to a clear distinction between the various types of mustard seed. In some provinces they are considered noxious and in others they are a crop. As I understand the situation, mustard is grown for commercial purposes. It is clearly defined in the Canada Grain Act and in the new regulations. It is different from the mustard that is commonly known in western Canada as a noxious weed.

I do not foresee any great difficulty in putting this in the Canada Grain Act. However, I will speak to the board of grain commissioners about this matter to ascertain if they will carry on discussions with the three governments in western Canada in order to see whether anything can be done to make this matter any clearer than it is today.

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

Some hon. Members: Question.

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

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

Northern administration branch—education division—

730. Administration, operation and maintenance—further amount required, $200,000.

Mr. Chevrier: I rise on a question of privilege, Mr. Chairman, and it is this. We were not on this item when the estimates were last discussed in this chamber. As a matter of fact we were on item 729. While we on

this side of the chamber welcome the decision of the government to deal with supplementary estimates, in the light of what has taken place I think I should review briefly what has happened outside the House of Commons and here in the House of Commons concerning the manner in which the estimates have been brought before us. On Friday, March 23—

Mr. Fleming (Eglinton): Mr. Chairman, you called item 730. The hon. member wishes now to precipitate a debate on broader questions. There can be such a debate if it is sought. However, it is not proper to have it in this committee on item 730.

Mr. Chevrier: I am not attempting to precipitate a debate, Mr. Chairman. I was rising on a question of privilege, as I have a right to do. When we were last on these estimates we dealt with item 729 and we did not pass it. We are therefore still on item 729 unless and until the government gives some indication of a change. The government has given that indication, but it gave it a very short time ago. That is the matter that I suggest is a question of privilege. I wish to make a statement and I do not wish to enter into a debate. I think I have a perfect right so to do. My statement is this—

Mr. Fleming (Eglinton): On this question of order—

Mr. Pickersgill: It is not a question of order; it is a question of privilege.

Mr. Chevrier: It is a question of privilege, not a question of order.

Mr. Fleming (Eglinton): So far as privilege is concerned, Mr. Chairman, this being a day for government business and the chosen item of government business having been called—

Mr. Chevrier: I rise on a question of privilege—

Mr. Fleming (Eglinton): Mr. Chairman—

The Chairman: Order.

Mr. Chevrier: I rise on a question of privilege. I had the floor on a question of privilege and the minister interrupted me. No interruption is allowed on a question of privilege.

The Chairman: Order. I believe only one question of privilege can be taken up at a time. The hon. member for Laurier has raised a question of privilege. I understood the Minister of Finance to be replying to the question raised by the hon. member for Laurier.

Mr. Chevrier: I did not get started.

[Mr. Chevrier.]

The Chairman: Does the hon. member wish to discuss the question of privilege?

Mr. Chevrier: Yes, Mr. Chairman, I do. I wish to discuss it as calmly as I can. I hope the minister will not rise and interrupt me repeatedly, as it is his practice to do. I was stating that on Friday, March 23 the house concluded consideration of the third set of supplementary estimates and passed the appropriation bill. Then we embarked upon the fourth set of supplementary estimates, commencing with the Department of Agriculture, about five minutes before five o'clock. On Monday, March 26, instead of continuing the supplementaries, as the government should have done and as the opposition asked, they were not called again until Wednesday, March 28. If they had been called at the beginning of that week they could easily have been concluded by March 30 and probably by March 29, particularly as items in nine various departments were passed on March 30.

Having failed to do that, the government should have called the supplementaries on April 2, and they could have been concluded at the latest by April 3. Instead they were held off until Friday, April 6, about one hour before five o'clock, by which time General McNaughton's interview was in the press. In other words the committee was given no consecutive opportunity to dispose of this business.

If one looks at the order of business one will find 10 items were given last night by the house leader as the business for today, the first item having to do with the electoral boundaries commission, and the next having to do with a measure concerning the Senate. I will not go over them all, as they can be found at page 2864 of *Hansard*. Then this morning about 11.30 the house leader advised that supplementary estimates were coming on.

As I said earlier, we on this side of the house have no objection whatsoever to the calling of these supplementary estimates, but what we on this side of the house to object to is that statements are being made outside of the house, particularly on television last night by the Prime Minister, that we on this side of the house are obstructing and delaying the business of the house. That, sir, is not the fact.

Mr. Montgomery: It is true.

Mr. Chevrier: The facts are as I have clearly indicated them, and I have done so as calmly as I could under the circumstances. If there is any delay, if there is any hold-up in the business of the house, it is because of the confusion that exists on the other side

of the house. It is because of the fact that there is no orderly decision as to what the business shall be. One day we are on legislation and the next we take supplementary estimates. Again we are on legislation and later back again to supplementary estimates. If the supplementary estimates had been continued as they should have been without interruption, then in my opinion we would have been beyond them a long time ago.

I conclude my question of privilege by saying this. Before we agree to postpone consideration of item 729 we are entitled to an assurance that the committee will dispose of last year's supplementary estimates, the ones we are now on, before going on with other business.

Mr. Herridge: Mr. Chairman, I want to express our complete approval and support of the remarks made by the hon. member for Laurier. I also wish to bring to the minister's attention the fact that when we concluded discussion of these estimates previously we were on item 729, and it is obvious that the officials thought we were going to proceed with that item because the gallery is flooded with all these great engineers from the water resources branch. There is no branch in any department of the government whose officials spend more time in the gallery than those of the water resources branch. They are all here this afternoon, so it is obvious they expected that the government would proceed with item 729. I trust we will.

Mr. Fleming (Eglinton): Mr. Chairman, this is a pretty far fetched question of privilege. I had hoped that all hon. members would address themselves to making some progress with these items instead of threshing straw that has already been well threshed. Furthermore, let me make it very clear that in other years final supplementary estimates have usually been dispatched in about two days, because final supplementaries are usually of a uniform character. They are usually simply further amounts required for purposes that have already been approved by parliament in adopting the main estimates. That is the character of most of the items.

This year, apart from the short commencement that was made on March 23, three days were set aside for these final supplementary estimates; Wednesday, March 28, Thursday, March 29 and Friday, March 30. Those three days fell far short of being enough for the carrying of these items. Indeed, only a minority of the items were disposed of then. This, I think, is not an indication that the committee proceeded to deal with these items at normal speed.

There is other business of the house that has to be done, and some attempt has to be made to advance business that there is some hope of advancing when it is quite clear that the committee has been bogged down on items in the estimates. We brought these estimates back again last Friday, April 6, and we passed one item in an hour and a quarter.

There is no ground for complaint about our calling item 730 today, because it was made very clear to hon. members this morning why that course was being proposed. It remains with the government, when the government is introducing estimates as its business on a government day, to call the particular items that it is asking the committee to pass. We did not complete the discussion of item 729 last Friday, April 6, or at least the item was not passed, and as certain hon. members had indicated on Monday of this week that they wished to discuss a subject that had been raised in the debate on item 729 it seemed to me we would be affording them a better opportunity for debate by proceeding in the manner that is now indicated, that is to say, by proceeding with item 730 and disposing of it and the balance of the items, and then returning to those items that have been held over, namely the items on external affairs and item 729, and have an orderly debate on those.

I think it would impress hon. members as a grave waste of manpower to have those officials who must be in attendance in connection with the many items that still remain to be considered sitting around waiting if we are to have an extended debate on item 729 or on the items pertaining to external affairs. My suggestion, which was communicated to hon. members opposite this morning and was not objected to by them, was simply that in the interests of orderly procedure we would start with item 730, dispose of the balance of the items, and then return to the items which had been held over, namely the external affairs items and item 729. That proposal was made and this course is put before the committee in the hope of an orderly and expeditious procedure. I would hope, Mr. Chairman, that we could proceed. The sooner we dispose of these other items, the sooner we will be able to have a debate on item 729 and the external affairs items.

Mr. Herridge: In reply I should like to ask the minister this question. If that was the government's intention it is a sign of poor planning again, because why were these

very highly paid and most expensive members of the water resources branch, whose time is most valuable, all brought here to sit in the gallery?

An hon. Member: Are they?

Mr. Herridge: Why is their time to be wasted here when the government had other intentions?

Mr. Pearson: Mr. Chairman, the minister, of course, has gone far beyond the point raised by the hon. member for Laurier, and I should like to deal with some of the points he has raised. The minister talked about his desire to facilitate orderly procedure, in the light of what we were told last night was going to be discussed today and the fact that at 11.30 this morning the government for its own reasons changed the order of discussion completely, presumably without telling some of the departments that it had been changed.

Mr. Browne (Vancouver-Kingsway): On a point of order, Mr. Chairman—

The Chairman: I would ask the hon. member for Vancouver-Kingsway to defer his point of order until the Leader of the Opposition has completed his remarks.

Mr. Pearson: Having changed the order of business without informing the opposition, who were told last night what the order was to be, until 11.30 this morning, the minister talks about facilitating orderly procedure. The minister says that discussion of the further supplementary estimates bogged down. There were hundreds of millions of dollars involved, but discussion bogged down because the government saw fit to introduce legislation which was of no great urgency at all one item of which could not be effective during this parliament. So our discussion of the supplementary estimates was stopped though we should have tried our best to get them through before the end of the financial year. We stopped discussion of the supplementary estimates before the end of the year.

However, when we were discussing these estimates last we were discussing item 729. That item was not adjourned and when we are coming back to supplementary estimates surely that is the item we should begin with. We know perfectly well why the government do not want to discuss item 729. They are afraid to discuss this whole question of General McNaughton—

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

An hon. Member: Nonsense.

Mr. Pearson: —and in order to avoid that discussion they are trying to postpone consideration of this item.

[Mr. Herridge.]

Mr. Fleming (Eglinton): On a point of order, Mr. Chairman, the Leader of the Opposition, of course, has imputed motives and that is the plainest kind of breach of the rules of the house. I had hoped that in response to a proposal that was made with a view to effecting the orderly dispatch of the business of the house we might have had a constructive response. The Leader of the Opposition is basing his remarks now, as did the hon. member for Kootenay West, on a statement that is completely wrong. It just is not true.

Mr. Herridge: You have the officials all here.

Mr. Pearson: I have the floor, Mr. Chairman, and the minister interrupted me.

An hon. Member: He is on a point of order.

Mr. Pearson: What is the point of order?

Mr. Fleming (Eglinton): The point of order is that the Leader of the Opposition has broken the rules of the house by imputing motives. That is completely out of order, as he well knows. I have given the reason and he has no right to impute motives. I can assure you, Mr. Chairman, there is no fear on the part of the government.

Mr. Pickersgill: You are scared to death.

Mr. Fleming (Eglinton): Let us have an orderly discussion on item No. 729, and not misleading statements of the kind made by the hon. member for Kootenay West, which are now concurred in by the Leader of the Opposition.

Mr. Pearson: I agree with the minister; let us have an orderly discussion of item No. 729. That is the item we were discussing when we adjourned consideration of the estimates. Let us be orderly and continue to discuss what was under consideration at that time. That would be the orderly and proper way of getting the estimates through. The minister says he is anxious to be orderly. Therefore let us be orderly and start where we left off with item No. 729.

Mr. Fleming (Eglinton): The hon. member for Kootenay West several times this afternoon has made the statement that the gallery was filled with officials from the water resources branch of the department of northern affairs—

Mr. Herridge: And there they are.

Mr. Fleming (Eglinton): Mr. Chairman, there are exactly two officials, only two officials from that branch.

Mr. Pugh: It shows how much he knows about the subject.

Mr. Fleming (Eglinton): The hon. member must realize how completely misleading was his statement. The government has the right to call the business of the day. The business that has been appointed for today is supplementary estimates, commencing with item No. 730. I trust we shall be able to dispose of these remaining items and return quickly to whatever debate is desired on item No. 729 and on the external affairs items which were stood over at the request of hon. members opposite.

Mr. Pearson: Would the minister repeat the reason we cannot go on with item No. 729 now?

Mr. Pugh: Read *Hansard* tomorrow.

Mr. Pickersgill: Before you rule, Mr. Chairman, I should like to raise a technical point. When you reported progress last Friday we were engaged in the discussion of item No. 729. That item has not been postponed by the committee. That item was before the committee, and I submit it cannot be postponed just because one member of the committee, and he the suppliant, says it should be postponed. It can only be postponed by a vote of the committee. That was the point up to which we had made progress and we were granted leave to sit again to go on from where we left off. I submit that this item cannot be postponed except by agreement.

In all the time I have been in this house I have never heard of a government trying arbitrarily on its own, without the consent of the committee, to change the item under discussion. On several occasions when we asked to have it done it was stated that it was inconvenient for the government to have the items changed. That happened on many occasions.

I say that if the minister wants this item postponed it is the committee which is in charge, and if the committee wants to vote by a majority to postpone discussion of item 729 then it can do so. The Minister of Finance is not the committee, but he has become so arrogant that he thinks he is.

Mr. Pugh: Nonsense.

Mr. Pickersgill: As we were on this item and it was neither passed nor postponed, then we can continue with it.

Mr. Fleming (Eglinton): The memory of the hon. member is not yet the substitute for the rules of the house. Whether or not his memory is failing in recalling a similar situation, it is a fact that the government appoints the business for the day.

Mr. Pickersgill: Yes; these supplementary estimates.

Mr. Fleming (Eglinton): We are on a different day from Friday last, and the item appointed for commencing today is No. 730 and, as I have said concerning No. 729, I hope we shall get back to it soon after disposing of the other items.

Mr. Caron: I have something to say on this point. If you read standing order No. 7 you will find it says:

> At the ordinary time of adjournment of the house, unless otherwise provided, the proceedings shall be interrupted and the business under consideration at the termination of the sitting shall stand over until the next sitting day when it will be taken up at the same stage where its progress was interrupted.

Therefore it is clear the government cannot change the item when discussion was started on it.

Mr. Howard: I do not know whether this is the relevant citation in Beauchesne which has application to the point, but I would ask you, Mr. Chairman, to give consideration to citation 242, which reads as follows:

> The procedure of the committee of supply follows the ordinary usage of a committee of the whole house. No amendment can be moved which is not relevant to the grant under consideration. The votes should be considered in the order in which they stand on the paper distributed to the members of the house; but any vote may be passed over and not moved.

Then there is the following sentence:

> Once it is moved a motion to postpone it cannot be entertained. Each resolution for a grant forms a distinct motion which can only be dealt with by being agreed to, reduced, negatived, superseded or withdrawn.

Whatever other hon. gentlemen say, I submit this covers the item which was before the committee on the last occasion, No. 729, which deals with the water resources branch.

The Chairman: I thank hon. members for their contributions to this point. I notice it was raised first of all as a matter of privilege, and then some hon. members referred to it as a point of order. In any event standing order 18, paragraph 2 reads as follows:

> Except as provided in standing order 56, government orders may be called in such sequence as the government may think fit.

Standing order 59 (1) reads as follows:

> The standing orders of the house shall be observed in the committees of the whole house so far as may be applicable, except the standing orders as to the seconding of motions limiting the number of times of speaking

—and so on. When the house adjourned on Friday, April 6, only a certain resolution was reported, as recorded in *Votes and Proceedings* for that day:

> The said resolution was reported and concurred in, and the committee of supply obtained leave to sit again at the next sitting of the house.

There is no mention there of the item then in progress, and the rules must be interpreted according to the authorities, one of which is May's sixteenth edition, to which reference has often been made in the house. I should like to read an extract from page 731 of May's sixteenth edition, which to my mind is very relevant to the matter before the committee:

> Motions for a grant may be submitted to the committee in the order selected by the mover, and so arranged on the notice paper, without regard to the order and arrangement of the estimates (d), or to any motion which was before the committee at a previous sitting and was not disposed of.

I believe this confirms the rule I mentioned a few moments ago, rule 18, paragraph 2, which states that it does not matter whether or not a previous resolution had been disposed of. So far as the order of business is concerned, I am in the hands of the government—

Mr. Pickersgill: I would like, Mr. Chairman, before you make a final ruling, to draw your attention to the fact that the notice paper for the supplementary estimates, which I have in my hand and which May appears to refer to, does set out these votes in a certain order. We had no notice given in the house under the rules that this order was to be changed, whatever dictate may have been passed down from the government outside the hours of sitting. The notice paper for the proceedings in committee lists the further supplementary estimates No. 4, and the items are 727, 728—which, as Your Honour indicated, was passed and reported to the house —and we had entered upon the consideration of item 729. According to May, that order having been given on the notice paper it cannot be changed arbitrarily by the government; it must be followed, because this is the notice paper for these supplementary estimates, the only one we have.

That taken in conjunction with the citation given by the hon. member for Hull, that once one of these items is entered upon it cannot be postponed but must be dealt with, would seem to me to deal conclusively with the point. I was seeking, before Your Honour went on to make a ruling, to draw Your Honour's attention to the fact that all there is on the order paper of the house is "House again in committee of supply", which gives us no guidance. The notice paper we have for dealing with the supplementary estimates is the one I hold in my hand, and the government cannot arbitrarily change this.

The Chairman: Well—

Mr. Howard: I wonder, Mr. Chairman, if before you proceed I could draw Your Honour's attention to another citation in Beauchesne which makes it even clearer. I refer to citation 242 (4), which says:

> A proposed resolution may be allowed to stand over with general consent until another occasion, but if it has been regularly proposed from the Chair and discussed—

And item 729 has been discussed:

> —no motion for its postponement is regular because there is no period to which it can be postponed.

Then it gives as a reference page 426 of Bourinot's fourth edition.

The Chairman: I agree with that citation, but the point at the moment is that there is no motion for postponement. Item 729 was discussed until the end of business that day. Today is another day. With regard to standing order No. 7, which was quoted by the hon. member for Hull, if we were to interpret that in the sense that any business commenced on one day if not terminated must be continued the following day, the government would never have any choice as to the business with which it wished to proceed.

The committee must go along with the order that is before it. The order is No. 13, "House again in committee of supply", which is the general order. That is the notice paper to which May refers. To my mind this document mentioned by the hon. member for Bonavista-Twillingate is not, by any stretch of the imagination, a notice paper; it is simply a list of supplementary estimates. They must be listed in some order. I cannot see how they impose upon the government an obligation to proceed in that order, because in fact that order is very often deviated from for various reasons. Again I say that I must conform to the resolutions that are before me as chairman in the order in which they appear, unless the government wishes to change that order or unless the committee gives unanimous consent to so doing.

Mr. Pearson: Mr. Chairman, is your argument based on your statement—

Mr. Fleming (Eglinton): It is not an argument.

Mr. Pearson: —that the record of the previous day should be blotted out? Because Your Honour said that the record of the previous day does not apply; you start with a new record. There was once strong criticism about this.

The Chairman: I certainly did not say that the record of the previous day should be blotted out, because it stands on its own merits. What I did say was that when we come to the next sitting and it is a government day, we must proceed with government orders as they are indicated to the Chair by the

government leader. This we are doing today, and I cannot see how we can deviate from that procedure.

Mr. Herridge: Mr. Chairman, I just want to say finally that this is a most unusual and, in our opinion, irregular procedure. I cannot remember it happening before. We should discuss this—

Some hon. Members: Order.

Mr. Herridge: —because it is obvious that the government is unwilling to proceed with a debate on the Columbia because the water resources branch, as I have been told a number of times, has not got the answer.

Mr. Fleming (Eglinton): Mr. Chairman, that is utterly untrue. If the hon. member will co-operate in the business called we will go back to item 729 when these other items are disposed of. You have made a decision, as I understand it, that item 730 is before the committee, and I trust we can proceed with our business.

Mr. Pearson: Mr. Chairman, may I ask the minister whether he is giving us an assurance that we will now continue right through the supplementary estimates and there will be no further alteration in the order of business; that we will go right through the supplementary estimates until they are completed?

Mr. Browne (Vancouver-Kingsway): Mr. Chairman, we have now reached a position where we know that the Leader of the Opposition and the hon. member for Bonavista-Twillingate feel they should be running this country with or without the consent of the voters. They have done that before in this house, and we know what happened. That is what they are doing right now.

Mr. Pearson: I ask the minister, that is all.

The Chairman: Order. The first point has now been ruled on, and the committee is engaged in the discussion of item 730.

Mr. Herridge: Mr. Chairman, I wish to appeal your ruling.

Mr. Drysdale: More wasted time.

Mr. Pearson: You should have been around in 1956.

Mr. Bell (Carleton): Constant squabbling and bickering.

Mr. Pickersgill: Tearing the page out of *Hansard*.

Mr. Drysdale: There were only four Liberals on Friday talking it out.

Mr. Chevrier: Co-operation with arrogance.

Mr. Drysdale: Opposition filibuster. They hate to see government progress.

Division

Mr. Pallett: They hate to face the facts, that is their problem.

Mr. Speaker resumed the chair and the chairman of the committee made the following report:

In committee of supply when vote No. 730 of the further supplementary estimates (4) 1961-62 was called for consideration, a point of order was raised to the effect that as vote No. 729 was under consideration at the termination of the committee's last sitting, it was irregular to proceed with vote No. 730.

The chairman ruled that in accordance with section 2 of standing order 18 and May's sixteenth edition, page 731, the government could call its business in such order as it deemed expedient without regard to any proceeding in a prior sitting of the committee. Whereupon the hon. member for Kootenay West appealed to the house from the decision of the Chair.

Mr. Speaker put the question as follows:

The question before the house is an appeal from a ruling given by the chairman of the committee of supply.

In committee of supply when vote No. 730 of the further supplementary estimates (4) 1961-62 was called for consideration a point of order was raised to the effect that as vote No. 729 was under consideration at the termination of the committee's last sitting, it was irregular to proceed with vote No. 730.

The chairman ruled that, in accordance with section 2 of standing order 18 and May's sixteenth edition, page 731, the government could call its business in such order as it deemed expedient without regard to any proceeding in a prior sitting of the committee. Whereupon the hon. member for Kootenay West appealed to the house from the decision of the Chair.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Aiken	Cooper
Aitken, Miss	Creaghan
Allard	Crouse
Allmark	Danforth
Asselin	Diefenbaker
Balcer	Dorion
Baldwin	Doucett
Barrington	Drysdale
Baskin	Dubois
Beech	Fairclough, Mrs.
Bell (Carleton)	Fleming (Eglinton)
Bell (Saint John-Albert)	Flemming (Royal)
Belzile	Flynn
Bissonnette	Forbes
Bourbonnais	Fournier
Broome	Frechette
Browne (St. John's West)	Gillet
Browne (Vancouver-Kingsway)	Grenier
Brunsden	Grills
Campbell (Lambton-Kent)	Gundlock
Campbell (Stormont)	Hales
Cardiff	Halpenny
Cathers	Hamilton (Notre Dame de Grace)
Chambers	Hamilton (Qu'Appelle)
Charlton	Harkness
Coates	Hicks
	Hodgson

Division

Horner (The Battlefords)	Noble
Howe	Nowlan
Johnson	Nugent
Jones	O'Hurley
Keays	O'Leary
Kennedy	Pallett
Kindt	Parizeau
Knowles	Pascoe
Korchinski	Paul
Lahaye	Phillips
Lambert	Pigeon
Letourneau	Pugh
Macdonnell	Rapp
MacEwan	Ricard
MacInnis	Richard (Kamouraska)
MacLean (Queens)	Robinson
MacLellan	Rogers
MacRae	Rompre
McBain	Rynard
McCleave	Simpson
McFarlane	Slogan
McIntosh	Small
McLennan	Smith (Simcoe North)
Mandziuk	Smith (Winnipeg North)
Martel	Southam
Martini	Spencer
Matthews	Starr
Monteith (Perth)	Stefanson
Monteith (Verdun)	Stewart
Montgomery	Thomas
More	Thompson
Morissette	Thrasher
Morris	Tremblay
Morton	Valade
Muir (Cape Breton North and Victoria)	Walker
	Webb
Muir (Lisgar)	Weichel
Murphy	White
Nesbitt	Wratten—130.

NAYS

Messrs:

Badanai	Loiselle
Batten	McIlraith
Boivin	McMillan
Bourque	Martin (Essex East)
Cardin	Matheson
Caron	Meunier
Carter	Michaud
Chevrier	Pearson
Clermont	Peters
Denis	Pickersgill
Dumas	Pitman
Dupuis	Regier
Eudes	Richard (St. Maurice-Lafleche)
Fisher	
Granger	Robichaud
Herridge	Rouleau
Howard	Tardif
LaMarsh, Miss	Tucker
Leduc	Winch—38.
Lessard	

Mr. Speaker: I declare the ruling confirmed.

And the house having resumed in committee:

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

The Chairman: Shall item 730 carry?

Item agreed to.

[Mr. Speaker.]

Welfare and industrial divisions—

731. Administration, operation and maintenance—further amount required, $202,000.

Mr. Granger: I should like to refer briefly to the matter of assistance to Eskimos in Labrador. In 1954, I believe it was, a grant was made by the federal government to assist in various projects for Eskimos and Indians in Labrador. Eskimos generally throughout Canada are looked upon as being a federal responsibility. When Newfoundland entered confederation it was agreed that Eskimo affairs would be administered through the government of the province. Subsequently it was agreed that a substantial sum—some $200,000, I believe—would be granted by the federal government toward assistance to Eskimos in Labrador. The province administers Eskimo affairs. In addition to what the province may spend, the federal government agreed to make its own contribution. As I said, the contribution was to be made to the government for the benefit of these Eskimos.

Mr. Fleming (Eglinton): I think I should point out to the hon. member that there is in this item nothing that has anything at all to do with the Eskimos in Labrador. His remarks are not related to this item or to anything in this item.

Mr. Pickersgill: On the point that has been raised by the minister may I say that this item does have to do with Eskimos. What my friend the hon. member for Grand Falls-White Bay-Labrador is seeking to present to the committee very briefly is the fact that Eskimos are treated differently in one part of the country from the way in which they are treated in another part of the country. When we are asked to spend this money for one part of the country it seems to me that would be a relevant point to make. I do not think the hon. gentleman has any intention of doing any more than make the point briefly.

Mr. Granger: That is so, Mr. Chairman. I really thought they were related inasmuch as Eskimos are looked upon generally as a federal responsibility and that in the past Eskimos in Labrador were looked upon as being in part a responsibility of the federal government. As this item has to do with funds to be spent on Eskimos on the mainland of Canada, or that part of Canada, shall I say, other than the province of Newfoundland, and as Labrador is of course, a part of the mainland, I thought I should bring to the attention of the minister the fact that after that first grant was spent, no other grants have been made toward the assistance of Labrador Eskimos. Recently in a letter from the Minister of Northern Affairs and National Resources I gathered that it was not

the intention or—and perhaps I should put it this way—that the government looked upon what had been done as fulfilling completely the obligations the federal government had toward the Eskimos in Labrador. I want to express my disagreement in that regard very briefly. The Eskimos are a federal responsibility. At one time the Eskimos in Labrador were looked upon as being partially a federal responsibility. I should like to express the hope that the minister will assess the situation and make assistance available to the Eskimos in Labrador through the provincial government as was done heretofore, because such assistance has not been forthcoming for well over a year now.

Item agreed to.

732. Yukon Territory—operation and maintenance —to extend the purposes of vote 302 of the main estimates for 1961-62 to include the contributions detailed in these estimates, $51,020.

Mr. McMillan: I should like to ask the minister if this vote has anything to do with the celebration of the Yukon gold rush. The government has admitted spending $385,000 on Arizona Charlie's, two saloons, and a mortuary. I am wondering what the total amount is for this celebration.

Mr. Fleming (Eglinton): Item 732 has nothing to do with any celebration of any anniversary in the Yukon.

Mr. McMillan: It is for picnic grounds, and I wondered if that had anything to do with it.

Item agreed to.

National museum of Canada—

734. Administration, operation and maintenance—further amount required, $50,000.

Mr. McIlraith: I have one or two questions I should like to ask about this item. I am sorry, I have risen on the wrong item.

Mr. Fisher: I should like to know the details of this expenditure.

Mr. Fleming (Eglinton): This is a sum made up of sundries. The main estimates provided $855,972 and this additional sum was found to be required to enable purchases to be undertaken for the establishment by 1967 of suitable exhibits. It relates to the Canadian historical museum to be ready for opening by July 1, 1967, and to include the human history branch of the present museum, the Canadian war museum and suitable other items to be acquired in the course of the next five years to ensure that exhibits will be available to cover the essential features of Canada's development.

Mr. Fisher: Will this projected plan for 1967 require the taking on of any personnel to work in this particular area?

Mr. Fleming (Eglinton): I am informed it will require some personnel to be added before 1967.

Item agreed to.

The Chairman: This completes the supplementary estimates of the Department of Northern Affairs and National Resources. Next is privy council, vote No. 735.

PRIVY COUNCIL

735. Expenses of the royal commission on railway problems—further amount required, $34,462.

Mr. Pickersgill: Mr. Chairman, you said that we had completed the estimates of the Department of Northern Affairs and National Resources. I do not think that is correct. Surely the supplementary estimates indicate that northern affairs is one item or one subject, and we ought now to proceed to item 729 and certainly not have the committee misled with the suggestion that this department has been completed.

Mr. Peters: They would like it to be.

Mr. Pickersgill: They would love it to be. They are so frightened.

Mr. Fleming (Eglinton): Are you calling 735, Mr. Chairman?

The Chairman: The item before the Chair is vote No. 735. When I stated, "This completes the items of northern affairs and national resources", I meant that we had completed the series at present before the Chair.

Mr. McIlraith: Mr. Chairman, I wonder whether the Chair wants the statement, "This completes the estimates of the Department of Northern Affairs and National Resources" left on the record in that way. There is one item still outstanding.

Mr. Fleming (Eglinton): Of course there is still an item outstanding. I think that is well understood. May we proceed with 735?

Mr. Pickersgill: I do not think it is understood, that Your Honour in ruling, ruled that the proceedings on a preceding day were to be blotted out entirely. Therefore, according to the decision recently rendered, there is no record because the proceedings were blotted out. There is no record that 729 was before us and we are now going to have it recorded in *Hansard* that this department is completed. It seems to me that should be formally changed.

Mr. Fleming (Eglinton): Mr. Chairman, it is quite obvious that it was a mere slip of the tongue on the part of the Chair. Item 729 has not been adopted yet and we are simply going on from 734 to 735.

Mr. Pickersgill: Because you are afraid to go on with 729.

Mr. Fleming (Eglinton): There you have another breach of the rules of the house, a member making an assertion that amounts to the attribution of motives. There is nobody on this side of the house who is afraid of anything.

Mr. Pickersgill: You are all afraid.

Mr. Fleming (Eglinton): All we are asking is that hon. members opposite conduct themselves in such a manner—

Mr. Martin (Essex East): On a point of order, Mr. Chairman—

Mr. Fleming (Eglinton): —that the business of parliament may be transacted, and on the completion of these other items we may then return to item 729 and the items of external affairs.

The Chairman: The hon. member for Essex East on a point of order.

Mr. Martin (Essex East): Mr. Chairman, in the brief time that the minister has left me to make an observation, may I say it is most extraordinary that having finished one whole department we should leave standing one item in that department. There can be only one conclusion, that the government does not want this house to discuss General McNaughton's complaints against the government.

Mr. Pickersgill: Closure.

Mr. Fleming (Eglinton): There can be only one conclusion and that is that the hon. member and his colleagues simply wish to obstruct instead of trying to get on with the business of the house. If they really want to deal with item 729, Mr. Chairman, the straightforward way to get to it is to dispose of these other items and then we will go to 729 very quickly. I do not think they want to go to it at all. They just wish to talk as if they did.

Mr. Chevrier: I want to say a word in connection with the point of order. The minister says that the quickest way to get to 729 is to get rid of these other items.

Mr. Fleming (Eglinton): I did not say "get rid of".

Mr. Chevrier: The experience we have had at the hands of the Minister of Finance and the leader of the house is that when we do get through with a matter we do not then get what the minister has told us will be put before us. I am going to say now that if we do get through with these other items tonight we will not return to 729 because the government will call something else, as they have been doing in the last two or three weeks.

The Chairman: Order.

Mr. Martin (Essex East): You were afraid of Coyne and you are afraid of General McNaughton.

Mr. Fleming (Eglinton): That is a false assertion.

The Chairman: Order. The item before the committee at the present time, according to the order established, is 735. Before we proceed to the discussion of that item and the other items I must interrupt the proceedings at this time. As it is five o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business pursuant to section 3 of standing order 15.

Item stands.

Progress reported.

Mr. Speaker: Order. It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motion (papers), private bills, public bills.

PRIVATE BILLS

Mr. Smith (Winnipeg North): Mr. Speaker, could I ask the house to give unanimous consent to placing order No. 191, Bill No. S-9, which is now at the bottom of the list, at the top in order that it may be considered in committee of the whole together with Bills Nos. S-10, S-14, S-15 and S-12 which are already before the committee.

Mr. Speaker: The hon. member asks that a private bill which appears as order No. 191, being at the end of all the divorce bills, be raised to fifth place and referred to the committee of the whole with the other bills.

Mr. Smith (Winnipeg North): It is before the committee now and I was wondering whether it could not be considered with the other bills in order No. 1 which are already referred to the committee.

Mr. Pickersgill: There will be no objection so far as we are concerned.

Mr. Howard: Certainly not, Mr. Speaker.

Mr. Speaker: It is agreed then that Bill No. S-9 be considered in committee of the whole with the four bills now before the committee of the whole but in fifth place.

Some hon. Members: Agreed.

GERAND ACCEPTANCE COMPANY

The house in committee on Bill S-10, to incorporate Gerand Acceptance Company—Mr. Smith (Winnipeg North)—Mr. Martineau in the chair.

Clause 1 agreed to.

On clause 2—*Provisional directors.*

Mr. Peters: In conjunction with the discussion that took place on the previous bill, No. S-9, which indicated a great deal of similarity, we believe this bill should also contain a provision that all directors of this company should at all times be Canadian citizens, ordinarily resident in Canada. This seems to be the stated policy of the Prime Minister and it appears to be in the interests of Canada. The sponsor has stated that the executive officers of this company are Canadians, ordinarily resident in Canada, and I wonder has he authority from the company to accept an amendment that all the directors of the company should at all times be Canadian citizens ordinarily resident in Canada.

Mr. Smith (Winnipeg North): Since discussion occurred last Tuesday on the previous bill I have secured some information for the committee which I think will probably satisfy the hon. members who raised this matter on the previous bill and who are now raising it on this one.

I am not prepared to accept an amendment which would require that all the directors of the company be Canadians, as the hon. member has suggested. I would point out that section 13 of the Small Loans Act states that all of the provisions of the Loan Companies Act shall apply in a case such as this. This company is being incorporated under the Small Loans Act and therefore all the provisions of that act will apply to this company. Section 19 of the Loan Companies Act reads as follows:

> The majority of the directors of the company shall at all times be persons resident in Canada and subjects of Her Majesty by birth or naturalization.

Therefore in effect the majority of the directors of this company will by law, be Canadian citizens. I would not be prepared to accept the restriction that all the directors be Canadians since it is stated that the majority of them must be Canadian citizens.

Mr. Peters: I am aware of the fact that there is that section in the Loan Companies Act, but that act was passed many years ago by a government that had the foresight to see that some advantage would accrue to the Canadian public and some benefit would be secured in providing that the majority of the directors should be resident in Canada. However I believe we have now progressed to the stage that we should see that all directors of such companies should be Canadian citizens. I can see very little objection to that.

We are not seeking that the shareholders of this company be limited only to Canadian citizens. That I believe would be non-advantageous and it would not be in the company's interest in the matter of raising money, as it is to be noted that this company will have $250,000 capital, $100,000 of which is to be raised before the company goes into operation. Some of this money of necessity may come from people not normally resident in Canada. We have no objection to that, but we do say that all the officers who will be responsible for the operations of the company should be citizens of Canada normally resident in Canada. I do not see why a provision of this nature should not be applied to this company which has the avowed purpose of extending beyond provincial jurisdiction but not necessarily into international jurisdiction. Other companies which have accepted this type of provision have found no particular hardship in it.

The sponsor has stated that most of the shareholders are expected to be Canadian residents. In fact they are expected to be the members of a particular family. I would hope the committee would give consideration to incorporating such a provision in the bill in the interest of developing Canadian ownership and Canadian control of purely Canadian companies.

Clause agreed to.

Clauses 3 to 7 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported and read the third time and passed.

CANADA SECURITY ASSURANCE COMPANY

The house in committee on Bill No. S-14, respecting the Canada Security Assurance Company—Mr. Stefanson—Mr. Martineau in the chair.

Clauses 1 to 4 inclusive agreed to.

On clause 5.

Mr. Howard: It is stated that the Canadian and British Insurance Companies Act shall apply to this company. If it is not already known I believe it should be pointed out that the Canadian and British Insurance Companies Act contains a provision that the majority of directors shall be Canadians. I do not think it is necessary to go any further

into our reasoning which has been placed on the record with respect to the other two bills.

Clause agreed to.

Preamble agreed to.

Title agreed to.

Bill reported and read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. S-15, respecting The Canadian Indemnity Company and the Canadian Fire Insurance Company—Mr. Smith (Winnipeg North)

Bill No. S-12, respecting Reliance Insurance Company of Canada—Mr. Smith (Winnipeg North).

BROCK ACCEPTANCE COMPANY

The house resumed, from Tuesday, April 10, consideration in committee of Bill No. S-9, to incorporate Brock Acceptance Company—Mr. Smith (Winnipeg North)—Mr. Martineau in the chair.

On clause 2—*Provisional directors.*

Mr. Howard: Mr. Chairman, I wonder if I could say something on clause 2. This matter did not, unfortunately, come to my attention during the debate we had the other day; I did not hear the remark to which I shall refer. However, this is perhaps because the hon. member to whom it is attributed, if it is correctly attributed to him, sits closer to the *Hansard* reporters than I, which would mean that he could speak in a lower tone of voice and have his remark picked up by the reporter.

I refer to page 2687 of *Hansard,* where I begin my remarks by saying:

> The emotionalism exhibited by the hon. member for Davenport and the sponsor of the bill indicates they are on the wrong track. This amendment has nothing to do with the individuals concerned.

Then follows this remark:

> It is anti-Semitism.

I do not know whether that remark is correctly attributed to the hon. member for Halifax. If he did make that statement and I had heard it the other day, I would have commented upon it. I only wish to say now that if the remark is correctly attributed to the hon. member for Halifax, it is most incorrect.

Clause agreed to.

Clauses 3-7 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported and read the third time and passed.

[Mr. Howard.]

MADELEINE FRANCOISE HANKOWSKI

On the order:

> Second reading of Bill No. SD-1, for the relief of Madeleine Francoise Hankowski—Mr. McCleave.

Mr. R. J. McCleave (Halifax): Mr. Speaker, if it pleases the house, perhaps the Senate divorce bills could all be put together for second reading.

Mr. Frank Howard (Skeena): I think it would be more appropriate, Mr. Speaker, to consider them in the order in which they appear on the order paper.

Mr. R. J. McCleave (Halifax) moved the second reading of Bill No. SD-1, for the relief of Madeleine Francoise Hankowski.

Mr. Howard: Mr. Speaker, will you please put the yeas and nays.

Mr. Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

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

YEAS

Messrs:

Aiken	Gundlock
Aitken, Miss	Hales
Allmark	Halpenny
Baskin	Hamilton (Notre Dame de Grace)
Batten	Harkness
Beech	Hicks
Bell (Carleton)	Hodgson
Bell (Saint John-Albert)	Horner (The Battlefords)
Broome	Howe
Browne (Vancouver-Kingsway)	Jones
Brunsden	Kennedy
Campbell (Lambton-Kent)	Knowles
Cardiff	Lambert
Carter	Macdonnell
Cathers	MacEwan
Chambers	MacInnis
Charlton	MacLean (Queens)
Coates	MacRae
Cooper	McBain
Crouse	McCleave
Danforth	McFarlane
Doucett	McIntosh
Drysdale	McLennan
Fairclough, Mrs.	McMillan
Fleming (Eglinton)	Mandziuk
Flemming (Royal)	Martini
Forbes	Matheson
Fournier	Matthews
Grills	Monteith (Perth)
	Montgomery

More	Slogan
Morton	Small
Muir (Cape Breton North and Victoria)	Smith (Simcoe North)
Muir (Lisgar)	Smith (Winnipeg North)
Murphy	Southam
Nesbitt	Spencer
Noble	Starr
Nowlan	Stefanson
Nugent	Stewart
Pallett	Taylor
Pascoe	Thomas
Phillips	Tucker
Pugh	Walker
Rapp	Webb
Rowe	Weichel
Rynard	White
Simpson	Winkler
	Wratten—94.

NAYS

Messrs:

Fisher	Peters
Herridge	Pitman
Howard	Regier
Martin (Timmins)	Winch—8.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

BRUCE REID CAMPBELL

Mr. R. J. McCleave (Halifax) moved the second reading of Bill SD-2 for the relief of Bruce Reid Campbell.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Mr. Howard: No.

Mr. Deputy Speaker: Those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

Mr. J. F. Browne (Vancouver-Kingsway): Mr. Speaker, I rise on a question of privilege affecting the privileges of all hon. members of this house and the rights of individual Canadians concerning a matter which denies Canadians their constitutional rights. I wish to refer to page 2537 of *Hansard* of April 5, 1962 where it is reported that the hon. member for Timiskaming (Mr. Peters) informed the House of Commons that if it did not pass a bill proposed by him at that time no more divorce bills would be passed by this parliament. It is therefore quite obvious—

Mr. Deputy Speaker: Order. I am afraid the hon. member is now embarking on a matter that is not relevant to the business before the house and which does not in my opinion involve a matter of privilege. I would hope therefore the hon. gentleman would not insist upon pursuing the matter.

Mr. Browne (Vancouver-Kingsway): Mr. Speaker, I suggest that this was a threat made by the hon. member for Timiskaming. I suggested at that time the threat was made—

Mr. Deputy Speaker: Order. I also note that a division has been called. There is a rule which provides that a division cannot be interrupted even for the hearing of a matter of privilege. We must first of all proceed with the division. Call in the members.

Mr. Browne (Vancouver-Kingsway): Mr. Speaker, I had arisen before the division was called.

Mr. Peters: Do you not believe in parliamentary procedure?

Some hon. Members: Oh, oh.

An hon. Member: You are the greatest abuser of parliamentary procedure.

Mr. Deputy Speaker: Order. Call in the members.

Mr. Speaker: Is it agreed the members are in?

Some hon. Members: Agreed.

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

YEAS

Messrs:

Aiken	Horner (The Battlefords)
Aitken, Miss	Howe
Allmark	Jones
Baskin	Kennedy
Batten	Knowles
Beech	Lambert
Bell (Carleton)	Macdonnell
Bell (Saint John-Albert)	MacEwan
Broome	MacInnis
Browne (Vancouver-Kingsway)	MacRae
	McBain
Brunsden	McCleave
Campbell (Lambton-Kent)	McFarlane
	McIntosh
Cardiff	McLennan
Carter	McMillan
Cathers	Mandziuk
Coates	Martini
Cooper	Matheson
Crouse	Matthews
Danforth	Montgomery
Doucett	More
Drysdale	Morton
Fairclough, Mrs.	Muir (Lisgar)
Flemming (Royal)	Murphy
Forbes	Nesbitt
Fournier	Noble
Grills	Nowlan
Gundlock	Nugent
Hales	Pallett
Harkness	Pascoe
Hicks	Pugh
Hodgson	Rapp

Rowe	Stewart
Rynard	Taylor
Simpson	Thomas
Slogan	Tucker
Small	Webb
Smith (Simcoe North)	Weichel
Smith (Winnipeg North)	White
Southam	Winkler
Starr	Wratten—82.

NAYS

Messrs:

Fisher	Peters
Herridge	Pitman
Howard	Regier
Martin (Timmins)	Winch—8.

Mr. Speaker: I declare the motion carried.

Bill read the second time.

Mr. J. F. Browne (Vancouver-Kingsway): Mr. Speaker, immediately before the vote was taken I had raised a question of privilege regarding a threat which had been made to the members of this house by the hon. member for Timiskaming, as found at page 2437 of *Hansard*. As I pointed out and informed the house at that time, the threat was that if we did not pass the bill then before us, no more divorces would pass parliament this session. I suggest that is an attempt to deny individual Canadians their rights under the constitution of this country and I suggest that it is the responsibility of members of parliament to protect those rights.

Mr. Speaker: The incident with regard to which the hon. member raises a question of privilege took place some time ago. Unless he has ascertained that hon. members now, by asking for a vote on second reading of a bill, are infringing the privileges of the house, I fail to see how any current question of privilege is involved.

Mr. Browne (Vancouver-Kingsway): I suggest that it is an obvious attempt to carry out the threat which was made at that time and that it is the responsibility of the members of this house to see to it that this right is not denied to these people in the provinces of Newfoundland and Quebec who since confederation have had the constitutional right to have divorce bills passed by this house. They are now being denied this right by certain members. I suggest the situation should not be allowed to continue.

An hon. Member: We are voting on it and so are you.

Mr. Speaker: Order. I am afraid it is beyond the competence of the Chair or the rules of the house to determine what is in a man's mind. When he exercises his privileges under the rules he is doing so in accordance with the rules. I therefore can see no question of privilege arising at this time.

[Mr. Speaker.]

Pursuant to standing order 105 the said bill stands referred to the standing committee on miscellaneous private bills.

WILLIAM METCALFE WATT

Mr. R. J. McCleave (Halifax) moved the second reading of Bill No. SD-3, for the relief of William Metcalfe Watt.

Mr. Broome: Before the inevitable vote comes, Mr. Speaker, I would suggest that we will expedite the business of the house if the members on this side reduce the number to a bare quorum.

Mr. Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members. Is it agreed that the members are called in?

Some hon. Members: Agreed.

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

YEAS

Messrs:

Aiken	Knowles
Aitken, Miss	Macdonnell
Allmark	MacEwan
Baskin	MacInnis
Batten	MacLean (Queens)
Beech	MacRae
Bell (Carleton)	McBain
Bell (Saint John-Albert)	McCleave
Browne (Vancouver-Kingsway)	McFarlane
	McLennan
Brunsden	McMillan
Campbell (Lambton-Kent)	Mandziuk
	Martini
Cardiff	Matheson
Carter	Matthews
Cathers	Montgomery
Coates	Morton
Cooper	Muir (Lisgar)
Crouse	Murphy
Danforth	Noble
Doucett	Nowlan
Drysdale	Nugent
Fairclough, Mrs.	Pallett
Flemming (Royal)	Pascoe
Forbes	Phillips
Fournier	Pugh
Grills	Rapp
Hales	Rogers
Harkness	Rowe
Hicks	Rynard
Hodgson	Simpson
Horner (The Battlefords)	Slogan
Howe	Smith (Simcoe North)
Kennedy	Southam

Starr	Webb
Stewart	Weichel
Taylor	White
Thomas	Winkler
Tucker	Wratten—77.
Walker	

NAYS

Messrs:

Fisher	Peters
Herridge	Pitman
Howard	Regier
Martin (Timmins)	Winch—8.

Bill read the second time and referred to the standing committee on miscellaneous private bills.

GIOVANNI PALLOTTA

Mr. R. J. McCleave (Halifax) moved the second reading of Bill No. SD-4, for the relief of Giovanni Pallotta.

Mr. M. W. Martin (Timmins): Mr. Speaker, in view of the unusual situation—

Mr. Bell (Saint John-Albert): Is this another threat?

Mr. Martin (Timmins): —that has developed—

Mr. Brunsden: Who developed it?

Mr. Martin (Timmins): —would it not simplify matters if the government would live up to its commitment?

Mr. R. J. McCleave (Halifax): Mr. Speaker, at last I have—

Mr. Speaker: Order. I must inform the house that if the hon. member speaks now he will close the debate.

Mr. McCleave: Mr. Speaker, there are several facts I must now make public because of the statement just made by the hon. member for Timmins (Mr. Martin). I do so with reluctance but none the less I have a responsibility to the people whose divorce petitions I am sponsoring. Until five minutes to six p.m. last Thursday, Mr. Speaker, I had no reason to suspect that we would not be able to achieve harmony in this house, even at this difficult period, with regard to the solution of the problem of divorce cases. The hon. member for Vancouver-Kingsway (Mr. Browne) has quoted a statement which shows where the fault lies for this harmony not being reached. The measure that had been put forward to solve this problem was discussed in the committee the other day. No member of the New Democratic party was present at that meeting.

Some hon. Members: Shame.

Mr. McCleave: These are public facts. There are two private facts that I shall not divulge until the end of this session of parliament. I hope I will not be put in the position of having to divulge them then but if there is going to be disgraceful behaviour I do have to do my best to protect these people from Quebec and Newfoundland.

Mr. Speaker: Those in favour of the motion will please rise.

[*And the Second Clerk Assistant having proceeded to call members' names*]:

Mr. Speaker: Order. Perhaps I am at fault. I am afraid I did not ask for the yeas and nays. By leave of the house I will put the motion in accordance with the rules. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay. In my opinion the yeas have it.

Mr. Peters: On division.

Motion agreed to on division, bill read the second time and referred to the standing committee on miscellaneous private bills.

MILDRED DAWSON MEAKINS

Mr. R. J. McCleave (Halifax) moved the second reading of Bill No. SD-5, for the relief of Mildred Dawson Meakins.

Mr. Frank Howard (Skeena): Mr. Speaker, speaking on this particular bill I should like to say that I do not know what these private facts are to which the hon. member for Halifax (Mr. McCleave) has referred—

An hon. Member: You will find out.

Mr. Howard: —but we all know he has a great propensity for disclosing private or privileged information to suit his own purposes. What he will do in this regard—

Mr. Speaker: Order. On the last bill there was a debate which to my mind was irrelevant. It got started before I appreciated what was being said. I would think that what would be relevant at this time would be a discussion of Bill No. SD-5.

Mr. Howard: With respect to Bill No. SD-5, it is a bill which seeks to dissolve the marriage between Mildred Dawson Meakins and Jonathan Meakins. We regret very much that we are going to have to oppose this bill on the ground that we think it is a most degrading way to treat parliament to force these individuals to come here to supplicate and pray for relief of their difficulties when the government out of its own mouth last year promised faithfully that it would alter this procedure. It is unfortunate that the government has placed these individuals in this position.

Mr. Speaker: Order. The hon. member is getting into the general problem of parliamentary divorce.

Mr. Peters: We are all involved in that.

Mr. Speaker: In my view what would be relevant would be the consideration that would relate to the authorizing of the dissolution of the marriage of Mildred Dawson Meakins, and not marriage in general.

Mr. Martin (Timmins): On the point of order, Mr. Speaker, would the remarks of the hon. member for Skeena not be very pertinent to the principle of this bill which we are now in the process of supporting or otherwise?

Mr. Speaker: I have already expressed my view and I am sorry I cannot agree with the proposition advanced by the hon. member for Timmins. In my mind there is a distinction between the constitutional problem or the question of the jurisdiction of parliament over divorce and the exercise of that jurisdiction, and the question that arises on a particular bill designed to dissolve a specific marriage. It seems to me that on an individual bill the question of the general problem of procedure in divorce matters does not arise.

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

Before I leave the chair, may I ask the house to revert to the business which was interrupted at five o'clock.

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

PRIVY COUNCIL

735. Expenses of the royal commission on railway problems—further amount required, $34,462.

Mr. Chevrier: This is a matter of importance to the committee and the country. It has to do with the expenses of the royal commission on railway problems and is for a further amount of $34,462. Could the minister tell us what is the total amount of expenses, fees, emoluments, costs, disbursements and the like up to the present time covering the commissioners in the hearings they have held across Canada?

Mr. Fleming (Eglinton): The total is $564,534.

[Mr. Howard.]

Mr. Chevrier: I thank the minister, but I think there are some other points arising out of this upon which the minister could enlighten us. The minister will remember that during the discussion of the matter concerning the dispute some two years ago between railway operators and the non-operative groups the Prime Minister indicated the procedure to be adopted in so far as freight rates were concerned just as soon as the report of the royal commission was handed down.

Volume No. 1 of the royal commission's report was given to the house last session and volume No. 2 was tabled just about the time the house met in January of this year, but we still have no indication of what the government intends to do. I and others from this side have inquired of the ministry what the government intends to do with reference to these matters, and there has been no indication, other than the time honoured formula that when the policy of the government has been determined it will be announced in due course. Of course that can go on for months and years—

An hon. Member: Twenty two years.

Mr. Chevrier: I hear one enlightened voice say 22 years and in reply I say that when the Turgeon royal commission brought down its recommendations we acted at once. We did not wait two years. We brought in all the recommendations by way of legislation and implemented them by way of legislation in the house, save one or two. However I do not want to get away from my question. Could the minister give some indication what the intentions of the government are, having regard to the statement of the Prime Minister and the recommendations of the commission?

Mr. Fleming (Eglinton): This is, of course, a subject of very great importance. As the hon. member has said, volume 1 of the report of the royal commission came down in 1961 and volume 2 earlier this present year. Volume 1 contains far reaching recommendations affecting the operation of branch lines, unremunerative lines and passenger services, as well as several other features of the burdens borne by the railways.

That volume examined the fundamental position of the railways and the change which has come over the nature of railway operations in recent years. It took account of the fact that our railway legislation and our system of regulation carried out through the board of transport commissioners was adapted to a period when the railways enjoyed a virtual monopoly in the field of transportation, but that that situation has very greatly changed. In gist, this was the purport of volume 1.

In volume 2 the royal commission examines the fundamental question as to the basis of railway rate making, and again speaking very briefly, the commission has recommended some fundamental and far reaching changes in the whole basis of railway rate making. It is not going too far to say that the recommendations of the royal commission in this respect contemplate a radical departure from the basis of rate making as provided for in the present provisions of the Railway Act. As the hon. member is well aware, those provisions in the Railway Act have been unchanged in their substance for many years.

The two combined volumes of the report offer and would involve a fundamental reconstruction of much of our railway legislation, particularly on the financial and regulatory side, and these recommendations cannot be slurred over quickly. Because of their far reaching nature they require the most intensive study and they are receiving that study.

There have already been meetings with the presidents of the two transcontinental railways in regard to this subject. It is being actively pursued but I think I would be less than fair to the hon. member's inquiry and to the subject if I did not lay stress on the fact that this is one of the most important, far reaching recommendations that has come before a government from a royal commission for many a day and it will require, both on the part of government and in due course on the part of parliament, the most intensive study possible. I know the hon. member will not expect legislation based on the report to be coming before parliament at an early date.

In the meantime the government has asked parliament to make the necessary provision for the period during which the study is proceeding. We have on the order paper now a resolution in the name of the Minister of Transport contemplating an amendment of the Freight Rates Reduction Act to extend, but not beyond April 30, 1963, the period during which the revised rates under that act shall be applicable, and to increase the authorized expenditure under the act by an additional $15 million.

In addition, Mr. Chairman, parliament will be asked to appropriate a subsidy in the same sum as in 1961, namely $50 million, on terms similar to those attaching to the $50 million appropriation in 1961. This will meet the requirements of the railways, at least in part. In the meantime the action that parliament may see fit to take in due course on the report can take account of the necessity, if any, of dating the revisions made on behalf of the railways to suit the needs of the situation, taking into account at the same time these two provisions that parliament is being asked to make for this intervening period.

Mr. Chevrier: Mr. Chairman, there are one or two matters I should like to discuss in connection with this, but before doing so I should like to ask the minister whether the $50 million payment that he referred to as being renewed this year, as originated last year, is in the main estimates.

Mr. Fleming (Eglinton): No, it is not in the main estimates because, of course, they were compiled before volume 2 of the report of the royal commission was received. It will be in the supplementary estimates for 1962-63.

Mr. Chevrier: Is it contained in the budget matters?

Mr. Fleming (Eglinton): Yes, Mr. Chairman, the figures I gave in the budget two nights ago take account of that additional $50 million.

Mr. Chevrier: What I did want to bring to the attention of the minister—he dealt with volumes 1 and 2 of the report—were some of the recommendations contained in volume 1 which the Prime Minister clearly and definitely stated would be implemented. I refer to the subsidies recommended in the first volume of the report, which can be summed up very briefly as follows. In respect of passenger services, Canadian Pacific Railway, $22 million; Canadian National Railways, $40 million; a total of $62 million for passenger subsidies. Then in respect of light density lines to provide compensation for losses actually incurred in the operation of lines which the railways are prepared to abandon; C.P.R. and C.N.R., $13 million. Then there are the following: Export grain traffic, Crowsnest pass rates; C.P.R. contribution to variable costs, $2 million; contribution to constant costs, $9 million. There is also the Canadian National Railways contribution to variable costs, $4 million; contribution to constant costs, $7,300,000. That is a total $22,300,000, making a grand total of the subsidies recommended in volume 1 of $97,300,000 distributed over a period of years but beginning at a fairly large amount and then tapering down. Roughly speaking this amounts to $100 million. This report, volume 1, was brought down last year; therefore I think the committee is entitled to know why that portion of the report was not implemented because volume 2 discusses a different matter entirely.

The minister did say that there was legislation on the order paper having to do with the Freight Rates Reduction Act and there

would also be included in a further supplementary estimate, which I take it will be at the next session of parliament—am I right in assuming that it will be taken at the next session of parliament, and not this session?

Mr. Fleming (Eglinton): That will depend entirely on how long this session continues, Mr. Chairman.

Mr. Chevrier: I think I can take it for granted that the $50 million payment the Minister of Finance has in mind will not be brought down at this session of parliament. Then there are other matters which arise. I asked the Minister of Labour the other day what was the amount of the settlement made between the railways and the engineers. It took him a long time to find out what it was, but finally he did come up with the reply that it was $6 million. How is that going to be paid? Is the Minister of Finance going to bring down a further supplementary estimate to cover that amount, because the Canadian National Railways certainly cannot pay for it; they have a deficit of $67 million, which we will be discussing in a moment or two.

Then the all-important matter is the settlement that Canadian National Railways will make with the non-ops arising out of the negotiations taking place at the present time. What will that amount to? If it is at all in the nature of what the conciliation board recommended in the Milvain report last year, it may well run into a substantial amount; it may well run into $50 million. What provision is being made for that?

Those are two matters I should like to put to the minister—why the undertaking of the Prime Minister to carry out these recommendations in volume 1 was not carried out; and how will the money be found to deal with these two additional items over and above the $50 million which the minister is going to repeat in further supplementaries?

Mr. Fleming (Eglinton): Mr. Chairman, I think I must say at once that the hon. member has attributed to the Prime Minister a statement which the Prime Minister did not make. The Prime Minister did not say that the recommendations contained in volume 1 of the report of the royal commission would be carried out. He did say, as I well recall, that they would be given very serious consideration. Having regard to the quality of the study being given to this subject by the royal commission, and the competence of the royal commission itself, as well as the importance of the subject, nothing less than very serious consideration would be due to those recommendations.

The hon. member asks why they were not carried out. The fact is that it would have been, I think, very unwise to attempt to deal with the recommendations in volume 1 without waiting for volume 2, because this—as I warned the committee in my earlier remarks this evening—is going to involve a very far reaching revision of some very important provisions of the Railway Act. I think it would have been regarded by hon. members as folly to have made two bites of the cherry, to have undertaken such a revision as would have been required to implement the recommendations in volume 1 while we were still unaware of what the royal commission would recommend in volume 2.

I think the proper course has been followed; that is, having received the recommendations in volume 1, to wait for volume 2 and then to undertake the comprehensive study that they call for. I also remind the hon. member that there will be a volume 3. Volume 3 is expected to contain the special studies that were conducted under the auspices of the royal commission.

There is one other observation I must offer, Mr. Chairman, by way of correction of a remark made by the hon. member. He spoke about the cost of the recent wage settlement as involving $6 million. The figures given by my colleague the Minister of Labour were a cost of $4½ million over a three year period, and that covers all railways.

The hon. member asks what provision has been made to meet deficits, particularly if the railways incur further obligations in the course of settlements pending wage discussions. Well, they will be met in the way railway obligations have been customarily met, namely the C.P.R. will make its payments out of its funds; and as far as Canadian National Railways is concerned, subject to the rule that its officers and directors are responsible for internal management, if there are deficits we shall have to ask parliament to make provision for them, as has been done for many a year. As to the provision which is proposed to cover the interim period until parliament is able to deal with legislation which will take account of the recommendations in the two volumes, I have indicated that the provision which was made last year will be continued in similar amounts and on similar terms during the present year. This will assure reasonable provision to assist the railways without precluding in any form such consideration as parliament may choose to give to the recommendations of the royal commission or such action as it sees fit to take on those recommendations in this respect, principally those in volume 1.

Mr. Chevrier: I should like to put on record in *Hansard* exactly what the Prime Minister did say. Apparently the minister has taken objection to what I said earlier. I made the statement, and I stand by it, that we were never told at any time there would be two bites at the cherry. At no time was there any indication that we would proceed by stages in this matter. We were told that the recommendations would be brought down and that the house would act on them. Here is what the Prime Minister said as reported at page 359 of *Hansard*, November 30, 1960 dealing with the dispute which had arisen between the railways and the men. He said this, and I quote:

> The reason we say we are waiting for the report of the royal commission is this. It will make its report as to the means whereby these discriminatory rates may be avoided. Legislation will then be introduced in order to equalize opportunity across Canada. The companies may then make an application to the board of transport commissioners to raise the freight rates and to take into consideration the agreements now in existence between the employers and the unions back to January 1, 1960.

I asked the Prime Minister if he realized that this was bound to take some time; I had had some experience of these matters with the Turgeon commission. If hon. members will look at *Hansard* they will find the Prime Minister said the recommendations would be acted upon promptly. As the minister has said, the recommendations contained in volume 1 are of entirely different nature to those contained in volume 2. So it is difficult to understand why that statement or promise which was made by the Prime Minister was not implemented. After all, it was made almost two years ago. The Prime Minister surely knew the situation. He must have been in discussion with the members of the royal commission.

In so far as volume 3 is concerned, the minister knows better than I do that there will be no recommendations contained in that volume. At least, we have been told that that is the case. I believe the royal commission itself has made that clear in a press release. The third volume deals with technical matters, as the minister said, and is there to support either the first volume, or the second, or both volumes. So it is difficult to understand why it was not possible to implement the first part of the report.

A great deal was said by the Prime Minister about the effect of horizontal freight rates and how they were having a detrimental effect on the economy generally. I think there has always been general agreement on that. The only point which was at issue in that connection was how to do away with the unfavourable effect of the horizontal rates. The board of transport commissioners laid down several rulings in cases made public. The question is now whether volume 2 disagrees with what has been decided in those cases by the board of transport commissioners. I am not able to say, but I presume that the object of the first volume was to give these subsidies to the railways with that in mind. However, when I look at *Hansard* and at the statement made by the Prime Minister, which is to the effect that the moment the royal commission has made its report legislation will follow, the freeze will be lifted and the railways will be able to make their applications to the board of transport commissioners, I am not so sure. In these circumstances I think the minister will understand at once that it is not an easy matter for those of us who sit on this side to understand what is the view of the government.

Coming to the $6 million which I mentioned earlier, the minister is right. I was in error. I was calling on my memory. In any event, it is $4,500,000 and it is still a substantial amount which will have to be found. True, it is over a period of three years. Then there is the additional amount which will be required if a settlement is brought about between the railways and the non-operative employees. These payments to which the minister has referred will not suffice. The $50 million he is going to bring down in a supplementary estimate, the portion of the $4,500,000 which he will be required to bring down for the C.N.R. in the same sort of estimate, will not cover the amount required in the event of a settlement of the dispute between the railways and the non-operative employees. The question arises: how are these capital sums to be found?

Mr. Fleming (Eglinton): I did deal with that. I said they would be found in the way in which they have been found in the past and in the light of such provision as parliament may choose to make having in mind the recommendations of the royal commission.

Volume 3 of the report is not expected to contain any further recommendations but it is expected to contain studies which will throw more light on the recommendations contained in the previous two volumes.

On the matter of horizontal increases, it will be recalled that parliament took action at the request of the government two years ago to put a stop to such increases. As a matter of fact not only was a freeze placed on further applications to the board of transport commissioners in respect of further horizontal increases in railway freight rates, but parliament was asked to make provision —and it did—with a view to preventing a

horizontal increase which was then about to be made in pursuance of leave granted by the board of transport commissioners.

It was on that account that parliament enacted the Freight Rates Reduction Act. It is due to the terms of that act that the last horizontal increase ordered by the board of transport commissioners was not carried into effect. In the light of the freeze put on by the board in respect of further applications to the board for horizontal increases parliament last year, after it was aware of the terms of volume 1 of the report of the royal commission, made available $50 million for payment to the railways, and a similar provision, as I have indicated, is going to be asked of parliament now without prejudice to whatever decision parliament may make in the light of the recommendations of the report or the date of the effect of such provisions as parliament may choose to make, particularly in regard to those matters that are dealt with in volume 1 of the report.

Mr. Chevrier: What was the $50 million to which the minister referred?

Mr. Fleming (Eglinton): That was provided last year in estimates for payment to the railways on terms to be determined by the board of transport commissioners. The board determined the distribution of that amount. My recollection is that approximately $29 million went to the Canadian National Railways and approximately $21 million went to the Canadian Pacific Railway. There was an item in last year's appropriation bill.

Mr. Chevrier: Was this to carry out the recommendations of volume 1 of the report to which I referred earlier?

Mr. Fleming (Eglinton): No, Mr. Chairman. If the hon. member will look at the statement made by my colleague the Minister of Transport at that time he will appreciate that parliament was asked to vote the sum with knowledge of the recommendations made in the report of the royal commission and also of the fact that the freeze on any further horizontal increase in railway freight rates was being extended; and generally with regard to the position of the railways. The sum was not associated specifically with the several recommendations contained in volume 1.

Mr. Chevrier: I have just now succeeded in locating item 590. The minister has it and can follow. Item 590—and I hope the minister is following me—reads as follows:

> Interim payments, related to recommendations of the royal commission on railway problems pending its complete report—

This would indicate it is in part performance of the recommendations contained in volume 1. I continue:

> —to companies as defined in the Freight Rates Reduction Act of an aggregate amount in respect of the calendar year 1961 of $50 million, to be paid in instalments at such times and in accordance with such method of allocation as may be determined by the Board of Transport Commissioners for Canada, as compensation to such companies for the maintenance of their rates on freight traffic at reduced levels as provided for in the said act—

The act there referred to had already been passed. Under that measure $15 million had been given to the railways in reduction of their freight rates. The minister referred to the Freight Rates Reduction Act amendment which is now on the order paper. Similarly there was an amendment to the act last year which reduced freight rates to the extent of $15 million or $20 million, I have forgotten which.

As I read it, the $50 million is apparently partially in performance of the recommendations contained in volume 1. It is partially in performance of the reduction in freight rates as already mentioned in the Freight Rates Reduction Act. It is very difficult to understand this item of $50 million unless you look at it from the point of view that it is to fulfil the recommendations of the Milvain report with which the minister is perhaps more familiar than I am. Is that a correct assumption?

Mr. Fleming (Eglinton): I think not, Mr. Chairman. Each of us can interpret the terms of the appropriation act of last session as he sees fit. The fact is that item 590 speaks of interim payments related to recommendations of the royal commission on railway problems pending its complete report.

Now, parliament did not say that it was approving those recommendations in their entirety. Parliament took note of those recommendations and with that knowledge apparently saw sufficient merit in them to regard it as desirable to make some specific provision for payment to the railways, and the method of allocation of that $50 million among the various railways was chosen simply in the light of the provisions of the Freight Rates Reduction Act. The railways and the method or terms of allocation are the same. That is the significance of the reference to the Freight Rates Reduction Act in item 590.

Mr. Chevrier: There is one other point I wish to make. The minister has been endeavouring to answer my questions and I do not wish to pursue this matter unduly but there is another point I feel I should bring to the attention of the minister arising out of the payment of $50 million. I feel I should severely criticize the fact that payments are made to United States railways under this

legislation. Under the Freight Rates Reduction Act—that is, the one that is on the order paper and the previous one that was on the order paper last session—there are a number of United States railways which are receiving payments out of the $20 million for reducing their rates by 9 per cent as required by the order of the board of transport commissioners. It is understood that the $50 million subsidy we have been discussing is being divided among the carriers in the same manner as the $20 million subsidy. I ask my hon. friend to look at the royal commission report very carefully. There is nothing in the report of the MacPherson royal commission that recommends subsidies to the United States carriers. Their recommendations refer only to the Canadian Pacific and the Canadian National Railways. The United States railways such as the New York Central in Ontario and Quebec, the Chesapeake and Ohio in Ontario, the Great Northern on the Pacific coast and the Midland Railway in Manitoba did not complain to the royal commission about losses on passenger service. So far as is known they do not have any unremunerative branch lines in Canada, except one of them, the Midland Railway of Manitoba, to a very small degree in the Crowsnest pass rates.

Bearing in mind that vote No. 590 we have been discussing refers to interim payments related to recommendations of the royal commission on railway problems pending its complete report, it is clear that none of the money covered by this vote should be paid to the United States carriers except perhaps a very small sum to the Midland Railway of Manitoba, as I have said, for participating in the Crowsnest pass rates.

The Chairman: The hon. member for Vancouver-Kingsway.

Mr. Fleming (Eglinton): I am sorry, Mr. Chairman. The hon. member for Vancouver-Kingsway has risen several times this evening. I have been attempting to deal with the matters the hon. member for Laurier has raised. I can be very brief about this one.

The so-called United States carriers the hon. member for Laurier referred to only enter into this discussion in so far as they are Canadian operators; that is to say, as they are operating in Canada. Some of these so-called United States railways are operated in connection with the Canadian transcontinental systems.

Mr. Pickersgill: Which one?

Mr. Fleming (Eglinton): The Grand Trunk Western is one.

Mr. Pickersgill: The Grand Trunk Western is owned by the people of Canada.

Mr. Fleming (Eglinton): Well, isn't this remarkable?

Mr. Pickersgill: Yes, it is. It is remarkable evidence of ignorance on the part of the minister.

Mr. Fleming (Eglinton): Let me say again that some of the so-called United States carriers are actually operated by the two Canadian transcontinental systems as part of their systems. This applies to some of the operations across the border. The United States railways or United States carriers that are referred to in any of these statutes or the regulations under them are included simply to the extent that they are operating in Canada. So far as the provisions of the Freight Rate Reductions Act are concerned, the benefits of that act are extended only to those railways which were denied the benefit of the horizontal increase in freight rates to which they became entitled under the order of the board of transport commissioners. Obviously any from whom the benefit provided by that order was withdrawn in the Freight Rates Reduction Act were entitled to share in the provision that parliament made to compensate the railways for the loss of expectation of benefit under that order of the board of transport commissioners.

With reference to the sharing of the $50 million, may I say these factors are all taken into account by the board of transport commissioners. This was the intent of parliament. This is the provision that parliament made in relation to item 590. We may be very sure that the board of transport commissioners has not been handing out benefits to any railway that is not entitled to them.

Mr. Chevrier: If I may be allowed just one word, I should just like to say this. My hon. friend seems to be under the mistaken apprehension that these moneys are going to United States railways operating in Canada. The point is that the United States railways operating in Canada did not seek from the board of transport commissioners or from the royal commission on transportation benefits for unprofitable or unremunerative lines, nor were they granted the same. The royal commission on transportation made no recommendations giving the United States lines in Canada subsidies. That is the point that I am making. As to vote 590 to which the minister has referred, he stated that was in part to carry out and to implement the recommendations of the royal commission on transportation. I am saying here that some of this $50 million has gone to these railways notwithstanding the fact that they never asked for

it and notwithstanding the fact that no recommendations to this effect were made by the royal commission on transportation.

Mr. Fleming (Eglinton): I will repeat my statement, I hope for the last time as I do not wish to see the committee detained unnecessarily. The $50 million was not provided to implement the report of the royal commission.

Mr. Chevrier: That is not what the minister said a while ago.

Mr. Fleming (Eglinton): That is the fundamental error in the reasoning and approach of the hon. member, if he will permit me to say so.

Mr. Chevrier: Then why refer to it at all?

Mr. Fleming (Eglinton): I will give the wording of item 590:

> Interim payments, related to recommendations ... on railway problems—

In other words, parliament took into account that recommendation. But it also had before it the fact that there was a freeze on freight rates and there had been a withdrawal of the benefits that railways might have expected to receive under the last previous general increase in freight rates permitted by the board of transport commissioners. These were all taken into account. I think that is the answer to the hon. member's observation.

Mr. Browne (Vancouver-Kingsway): I just wanted to say that I was very pleased to hear the minister's statement that it was not the intention of the government to rush into any legislation arising out of the royal commission report.

Mr. Pickersgill: They do not rush into anything.

Mr. Browne (Vancouver-Kingsway): I think it is obvious that volume 3 that we have coming from the royal commmission contains much of the supporting material on which their conclusions contained in volumes 1 and 2 were arrived at. It would seem to me that for the government to bring forward legislation and face the transportation agencies in Canada with it before that material is available would put them in a very unfair position. I am quite surprised indeed that the hon. member for Laurier should be urging that the government take quick action in this regard. I feel quite certain that the various transportation agencies in Canada have not even begun to be able to assess all of the implications of the far reaching proposals that have been made in the royal commission report. I was certainly pleased to hear the minister's assurance that it is not the intention of the government to place the transportation agencies in that unfair position by rushing into any hasty legislation.

The Deputy Chairman: Shall vote 735 carry?

Mr. Fisher: No, Mr. Chairman. There are a couple of questions that I should like to ask the minister. One of the things that puzzle me about the royal commission on transportation is this. I understood or interpreted from statements made in this house by the Prime Minister over several years, and under repeated questioning, that the royal commission on transportation would have nothing to say about the Crowsnest pass rates, which I myself thought was an oversight and should have fallen within their terms of reference. Yet this matter was specifically ruled out. Nevertheless, the other day, in answer to a question that I had on the order paper namely question 374 we discover as follows:

> The commission made an independent assessment of the studies and submissions and alternative figures arrived at by experts retained by the commission. Certain conclusions and estimates of the commission are contained in volume 1 of its report. The commission has also reported that special studies will be included in volume 3 which has not yet been received by the government. No other estimates of the cost of moving such grain have been provided to the government during the past two years.

There are two oddities about this to me. One is that we have on the way this information from the royal commission about the Crowsnest pass rates when the Prime Minister specifically ruled out the possibility of any alterations or changes in the Crowsnest pass rates. I understand his words went along the line of phrases such as "sacred covenant" and something that was part of the tradition or almost the birthright of the western farmer.

Mr. Rapp: And rightly so.

An hon. Member: The Magna Carta.

Mr. Rapp: And rightly so.

Mr. Fisher: Yes, the Magna Carta; and the hon. member for Humboldt-Melfort-Tisdale says "rightly so". If this is the case, what was this study of the Crowsnest rates so important for? Probably the reason we are still waiting for this volume 3 is this. I understand all the experts of the commission have been dispersed, and the commissioners. We know Mr. Mann now has a job heading up the national harbours board. I understand Mr. Anderson, the secretary, is back out west. What is the point of this study of the Crowsnest pass rates, especially in view of the Prime Minister's commitment that this matter was not going to be touched. I understand we are now going to have from this study what is considered to be the exact

expert figure of the burden that the railways are carrying in terms of loss between the revenue they get from the grain traffic and the actual cost of carrying it. This is most interesting information, that this is in hand. But I should like to have some explanation as to why the commission, it seems to me almost in defiance of the line set out by the Prime Minister, should get involved in this particular case.

Mr. Martin (Essex East): May I ask the hon. gentleman a question.

Mr. Fisher: Yes.

Mr. Martin (Essex East): Is it not a fact that while the Prime Minister said in the house on one occasion that the Crowsnest pass rates would not be involved, the terms of reference to the commission were not consistent with the assurance given by the Prime Minister?

Mr. Fisher: I quite agree with the hon. member for Essex East. However, there is a related factor coming in here. On the very first day on which the commission met there was a long discussion as to its terms of reference and the whole question was introduced as to whether it could go into labour matters. I am sure the minister probably knows that after some discussion and some submissions it was assumed, on the basis of statements of the Prime Minister to parliament to quite an extent, that the whole question of railway labour was not to be touched on by this commission. I was at the first couple of hearings and I think my memory is correct that this was one of the main reasons why the whole problem of railway labour, which in many people's minds has been central to the predicament of the railways, was not considered, because there had been indications in the house that, though the matter was not strictly within the terms of reference of the commission to rule one way or the other, this was not the intention of the government. Yet we have the situation where this royal commission has bumbled its way into the Crowsnest pass rates picture and has come up with what I am sure will be claimed to be a solid figure showing the difference between the come and the go.

There is one other aspect of the recommendations of the royal commission that I find very ironical, and I wonder whether the minister has seen the irony. I should like to have his comments upon it. Certain newspapers have also picked up this point. I refer to the fact that by the time one has finished reading volume 2 of the commission's report it is apparent that the idea is that the railways are going to be freed at last to get out and compete. Subsidies are going to be wiped out. They are going to do away with the bridge subsidy which is a very real measure of help to the area from which I come. That kind of thing is an anachronism to me. They are not going to fiddle with all these subsidies in this new era of transportation into which we are moving. I know this found wide appeal, particularly in the newspapers of Canada which tend to be great free enterprise organs.

But here is the irony. How is this revolution going to be achieved? It is going to be achieved by more subsidies. We are going to wipe out the bridge subsidy which is designed to remunerate both railways and shippers of goods from eastern Canada to western Canada. The wiping out of that subsidy is something that is certainly going to affect traffic that moves through our area but according to the commission it has got to go. This is the anachronism. How are we going to get this new era under way? We are going to start handing out subsidies. The hon. member for Laurier referred to the total, almost $100 million. That is the great free competition and free enterprise of this new era. As the minister is the one who, in the short range picture at least, has to come up with these new subsidies, I am wondering whether he is aware that there is a certain paradox in the recommendations of the commission. I should like to have his views on this matter.

There is another thing I should like to point out to the minister that I find ironical. Aside from the submission of the British Columbia government, it is almost impossible for me at least to find in the hearings any evidence upon which these thinkers on the royal commission base this whole new era of free enterprise and competition that is to be opened up for the railways. I have very grave doubts whether the commissioners really listened to the people who came to the hearings. I am making the assumption here that several people on the commission and probably one or two of the professional help theorized that what was needed in the railway picture was the opening up of competition and the freeing of the railways so that they could get into the fight and hold their own against the truckers and all other forms of transportation, and consequently they did not really pay any attention to the briefs that were presented.

Mr. Macdonnell: Mr. Chairman, I should like to raise a point of order. I do not claim to know too much about the rules but it does seem to me that we seem to be discussing is the report of the commission, which will be open to discussion at another time. It also seems that certain assumptions are being made that the commissioners did not

listen to some of the briefs presented to them. I would suggest that we are getting rather far afield.

Mr. Fisher: On the point of order, we may be getting far afield but I suggest to the hon. member for Greenwood that the discussion started a few minutes after eight o'clock and for 35 minutes thereafter it ranged quite widely. I think it will be acknowledged that the Minister of Finance and the hon. member for Laurier went into topics very much like this one, so I do not feel I am out of place in making these remarks. Really what I am doing is repeating an appeal to the Minister of Finance. Does he not think there is something bizarre in this whole theme of opening things up to competition and wiping out all these subsidies including the cutting down of some of the maritime subsidies that exist at the present time? The idea is that we are going to get back to competition, and yet at the same time the commissioners turn around and they are going to give the railways new kinds of handouts such as passenger subsidies for a time, branch line abandonment subsidies and so on. To me this is completely inconsistent, almost as inconsistent as the supposedly accurate study of the Crowsnest pass rates.

The other point I want to come back to is the question of the bridge subsidy. I should like to make the point to the minister that if this subsidy disappears it will be quite obvious that the very strong representations made by groups from our area at the hearings at Port Arthur completely failed to impress the commission. One of the factors that is central to defending our position and maintaining the link between eastern Canada and western Canada is the bridge subsidy or a subsidy of that kind; but that is to go out of the window.

As one of our local authorities on transportation matters, Mr. Charnock of the Fort William chamber of commerce, pointed out, this dream of competition is wonderful where you have competition in terms of traffic and in terms of carriers but in an area such as ours this kind of competition is very tenuous. What we are afraid of is something that is actually taking place at the present time in that a great deal of the automobile production of eastern Canada that is being shipped to western Canada, particularly to British Columbia, is being driven across the border, loaded on American rail carriers and shipped through to British Columbia rather than being transported the Canadian way. Will this removal of the bridge subsidy be another sample of the kind of steps that make us even less able to compete? While most of us are pleased at the present time to have the kind of competition that exists to a degree between the truckers and the railroaders from the point of view of giving shippers an alternative, in our part of the country we still think that kind of competition in a transcontinental way is a pretty shadowy and insubstantial thing at the present time and that to think of opening it up is fantastic.

[Mr. Macdonnell.]

Another point I should like to make to the minister about the royal commission on railway problems has to do with the assumption it makes throughout that trucking is a mode of transportation in which it is very easy to get started because it does not require very much capital. All I know is that the C.N.R. has gone through about $15 million in the last couple of years getting into it. We do not know how much the C.P.R. has spent but it is a considerable sum of money. So we have these two big railway organizations going deeply into trucking and being encouraged now to go into it even more deeply, and we are led to believe that this is going to lead to a more and more competitive situation. I fail to see how it possibly can. I fail to see how a small or medium size public carrier on the highways can really compete in the long haul with what must be a monopolistic tendency on the part of the railways as they move into this field. It seems to me an encouragement to the railways that they have certainly welcomed.

I know a great many of the employees have welcomed the idea that at last they are going to be able to get in and compete with truckers, but I wonder if this is the way to do it. Are the trucking lines associated with the railways going to be required to pay income tax? Are Husband, East-West, Kingsway and all these lines now associated with the C.N.R. going to pay income tax? If they are not, then it is quite obvious that they have a competitive advantage over trucking lines that are not associated with the C.N.R.

To me it seems that the royal commission has raised almost as many problems as it solved, and it is for that reason I disagree with the hon. member for Laurier in his plea for urgency in tackling its recommendations. I hope the government proceeds slowly in regard to them, slowly enough so that we can bring a very strong case against the removal of the bridge subsidy until we can see there is some kind of salvation for this in the so-called competitive milieu that is going to be opened up.

I am sorry, Mr. Chairman, for being carried away into areas detached from the specific question with which I started. I shall just repeat—

Mr. Fleming (Eglinton): Perhaps I can save the hon. member the trouble. I do not intend to make any comment on the acceptability or validity of any recommendation the commission has made. The discussion earlier was on broad aspects of the report, and it would be entirely premature and inappropriate while this whole question is under study for a minister to make any comment whatever on the acceptability of any particular recommendation.

Mr. Fisher: Aside from the acceptability of recommendations, what about the fact that this commission is coming up in volume 3 with figures on the loss pattern in the grain rates? Does the minister not consider this a contradiction of the statements that were made by the Prime Minister over a period of several years? The railways will now claim this to be an accurate picture of the losses they suffer in carrying grain under the Crowsnest pass rates.

Mr. Fleming (Eglinton): The Prime Minister has stated government policy in clear and unmistakable terms, and that is that as long as this government is in office the grain growers of western Canada are going to retain the full benefit of the Crowsnest pass rates. That is fundamental in the policy of the government.

The railways asked for determinations as to what they regarded as the loss they were incurring in carrying grain under the Crowsnest pass rates and the royal commission, at least in a divided report in this respect, made certain findings and certain recommendations as to how the alleged loss should be borne. But the statement of the Prime Minister is clear and abiding, that no thought will be given at any time to depriving the grain growers of western Canada of their rights in respect of the Crowsnest pass rates.

Mr. Pickersgill: I should like to give an assurance on behalf of the party which will form the next government of Canada—and that probably quite soon—that the Crowsnest pass rates will be retained, as they were restored by a Liberal government after the first world war when they were torpedoed by the Tories.

Mr. Martin (Essex East): I appreciate that the minister finds it difficult to deal with particular recommendations of the royal commission at this time. I also assume he would find it difficult to deal with omissions in the royal commission report with regard to representations made by communities about unfair, discriminatory rates, as they saw them, in so far as their competitive position is concerned in relation to other areas.

The community from which I come was joined by farm and labour organizations in the county of Essex and all through southwestern Ontario with regard to the inequitable freight rate structure which prevails in this area, as compared with other sections in the province of Ontario, notably the area that originates in Toronto eastwards.

The average freight rates between Windsor and Toronto are 25 per cent higher than those paid in the area from Toronto as far as Montreal. This imposes a heavy burden, not only on secondary industry in my section of the province, but also in the farming community. It is possible to ship a bushel of corn from Chicago to Montreal more cheaply than it is to ship a bushel of grain from Windsor to Montreal.

Having in mind the conditions prevailing in southwestern Ontario at the present time, particularly in the city of Windsor with regard to secondary industry and the consequential problem of unemployment that flows therefrom, it would seem to me, as it does to the Windsor industrial commission, to the chamber of commerce, to the labour organizations and others who have made recommendations to the effect that if the government is anxious to do something about these areas that are suffering from heavy unemployment, consideration ought to be given to alleviation of the inequitable freight rate structure which prevails in respect of the communities I have mentioned as compared to other sections of the province of Ontario and elsewhere.

The minister may say he cannot deal with this sort of thing at this time but the executive arm undoubtedly has the power of providing for a removal of these inequities.

Mr. Fleming (Eglinton): No.

Mr. Martin (Essex East): In the past the executive has acted.

Mr. Fleming (Eglinton): No.

Mr. Martin (Essex East): The minister says no but I beg to differ. In the past the executive has taken action to remove these inequities. One example of that was given in the statement made by the hon. member for Bonavista-Twillingate with regard to the Crowsnest pass rates. The traditional attitude taken with regard to that arises out of executive action, confirmed by various royal commissions, and reflected in the statement of policy enunciated by the minister just now. I do not quarrel with that. As the hon. member for Bonavista-Twillingate said, the Liberal party, when in office, took a position with regard to that. What I am now saying is that if the complaint which has been registered by the area from which I come is valid —and I believe it is—it is within the power of the government of Canada, the executive

arm of government, to take action to remove these inequities. The minister has that power. This parliament has the power—

Mr. Fleming (Eglinton): Parliament has, but not the executive.

Mr. Martin (Essex East): When I say the executive I mean the executive has power to make recommendations which, in the form of legislative enactment, can rectify a situation which is felt to be unfair. If the government wants to do something about this grievance, and I believe there is a crying need, it has that power. I am not saying that the minister should tell us tonight what it proposes to do, but in the unhappy event that the hon. gentleman and his colleagues should ever be in power in the future, and that we greatly doubt, all I am saying to them now is that this is a matter in which the city of Windsor and southwestern Ontario generally are vitally interested. The brief that was presented by the Windsor industrial commission was supported not only by the city of Windsor and other communities in the county of Essex, but by communities all the way to London. This is a matter about which there is keen, and I think understandable, interest. I raise it tonight so that the minister can be forewarned once again of the position taken by these communities.

Mr. Fleming (Eglinton): Mr. Chairman, if we are going to go into the complaints about the existing freight rates structure from individual communities in Canada, then we are certainly not going to reach item 729 tonight.

Mr. Martin (Essex East): That does not alter the fact that a legitimate grievance can be mentioned.

Mr. Fleming (Eglinton): The fact is that for those who will take the trouble to read the Railway Act—and I doubt that the hon. member has for some time—they will find there provisions giving to the board of transport commissioners power to relieve in cases where they find undue and unjust discrimination in freight rates. That is the rule of the act, and anybody, any community or any shipper who feels he is being called upon to pay rates that are discriminatory can go to the board of transport commissioners with his complaint.

I am a little surprised at the hon. member's statement tonight that the railway freight rate on a bushel of corn from Chicago to Toronto is lower than the freight rate on a bushel of grain from Windsor to Toronto.

Mr. Martin (Essex East): Mr. Chairman, would the minister permit me to make a correction. I did say Toronto; I meant to say a bushel of corn from Chicago to Montreal.

[Mr. Martin (Essex East).]

Mr. Fleming (Eglinton): What is the hon. member comparing it with now?

Mr. Martin (Essex East): I am comparing it with the rate for shipping a similar amount of corn from Windsor to Montreal.

Mr. Fleming (Eglinton): I think that on examination it will be found that the determining factor there undoubtedly will be the rates by water transportation. These are elements that enter into the determination of the board of transport commissioners constantly in cases of alleged freight rate discrimination. But this is something that is a far cry from the matter now under discussion, which is the report of the royal commission. These are matters to be considered when parliament is called upon to deal with legislation in the light of the report of the royal commission some time in the future.

Mr. Fisher: Mr. Chairman, there is one question I would like to ask the minister. I am sure that he, as the minister responsible for finding funds, will remember that a few weeks ago we passed a measure relating to a new line in the Gaspe area requiring the raising of a minimum of $14 million. I wonder if at the time it was being considered by the government any discussions or conversations were held between the minister or any other member of the cabinet and some of the experts or commissioners of this royal commission on transportation before they dispersed, to see whether this line met with the approval of the commissioners, particularly since their recommendations were so strong and so stark against embarking upon any more railway building unless it could be shown that the line was competitive and stood a very good chance of making a reasonable return on its investment.

Mr. Fleming (Eglinton): I am not aware of any such discussion, Mr. Chairman.

Item agreed to.

736. Expenses of the royal commission on Canadian magazines and other periodicals—further amount required, $22,800.

Mr. Pickersgill: Mr. Chairman, one wonders why we should be voting this money at all. The left hand of the government obviously does not know what the right hand is doing, if indeed they can tell their right hand from their left hand. We read, for example, in last night's Toronto *Telegram*—which is the sort of *Pravda* or *Izvestia*, I am not quite sure which, of this government—an editorial entitled "No action on magazines", which says:

The Minister of Finance will receive high marks—

And I am sure he will be delighted to hear this; he does not get many compliments these days;

—for his decision not to proceed with the O'Leary plan to destroy by an oppressive tax measure U.S. magazines located in Canada.

I might say that this is in a newspaper published by a prominent Tory candidate in Toronto, a favourite of the government who was handed a television charter over all his competitors as a special favour and now is apparently seeking to consolidate his hold on that part of the public domain by becoming a member of this house; but apparently they forgot to tell him what they were doing. His paper pours all this saliva on the Minister of Finance. I think perhaps I ought to read it again just in case every hon. member did not get it:

The Minister of Finance will receive high marks for his decision not to proceed with the O'Leary plan to destroy by an oppressive tax measure U.S. magazines located in Canada.

If that is *Pravda,* I suppose the Ottawa *Journal* is *Izvestia.* It is too bad the government could not keep the two of them in line, but they seem to have terrible difficulty in doing so, though they were completely in line about wanting to end the proceedings of this parliament, in some premature editorials which appeared in both of them in almost identical terms not so long ago. You will remember that too, sir.

My reason for raising this is that there is on the notice paper—it is not yet on the orders of the day, so I am not transgressing any rule of the house by referring to it; and if someone has a copy I could take a look at it—notice in the name of a colleague of the Minister of Finance that these things the minister was congratulated in *Pravda* for not doing are going, at the bidding of *Izvestia,* to be done by one of the minister's colleagues.

It has always been a tradition of parliament, one of the most fundamental of our traditions, that the budget is put before this country and tax changes are proposed by the Minister of Finance, and not by some other minister a couple of days after the budget in some back door fashion. I suggest that no minister of finance since confederation would have endured this humiliation that is being heaped by his colleagues upon the Minister of Finance, two days after the budget, when another minister introduces tax changes to correct the mistakes of the Minister of Finance in his budget, or the deficiencies, or the oversights, or perhaps the pages that the minister had that he did not get time to read. Perhaps that is the explanation of it. I apologize to the minister for not being here, but I understand that he even had a deficit in his budget speech as well as the deficit in the budget of the country.

Mr. Martin (Essex East): Two of them.

Mr. Pickersgill: I say that the minister should not be here at all. He should not be in this house at all after being humiliated in this fashion, having another minister substituted for him in proposing tax changes. His resignation should be on the Prime Minister's desk and he should not be before us. I would like the minister to explain how it comes about—

Mr. Martin (Essex East): Here are the two missing parts of the budget.

Mr. Pickersgill: Oh. Well perhaps they are not strictly relevant.

Mr. Fleming (Eglinton): Read them well.

Mr. Drysdale: You would not let them get on the record.

Mr. Pickersgill: I find here in *Hansard* for April 11, the same date as this newspaper which was not tipped off properly or adequately, a statement by the Prime Minister. This appears to have been made early in the afternoon, at about the same time this paper was on the streets:

I might add that the Leader of the Opposition asked whether there was anything else to come before the house. Two resolutions will be placed on the order paper in respect of certain recommendations made by the O'Leary commission. They will be under the name of the Minister of National Revenue.

I do not know whether they are actually on the notice paper.

Mr. Martin (Essex East): No, they are not.

Mr. Pickersgill: Apparently they are not even there yet, so I certainly am not out of order. It is perhaps premature to ask the minister to resign, and perhaps what the Prime Minister promised in the house will not be implemented. It would not be new for the Prime Minister to make these airy-fairy promises and then for nothing else to happen. There are 80 outstanding and I can give the minister a list of them, if he would like them, neatly mimeographed and set out with proper references. So perhaps this matter will never come before the house and perhaps the minister will not have to resign until it does. Or perhaps the minister can get a lot of his friends to send telegrams from all over the country and once more save him from the axe as happened last December. Perhaps we shall have another pilgrimage to Quebec and another dealing of the cards and another joker.

An hon. Member: Perhaps.

Mr. Pickersgill: Certainly it is extraordinary that we should have a budget brought down, presumably giving all the tax changes for the year, and then on the next day the Prime Minister should come in and humiliate the Minister of Finance by announcing that another minister is going to introduce some other tax measures. It is unprecedented. It is clear that we have no more collective responsibility. It means a complete collapse of government in this country, and for that reason I move that this item be reduced to $1.

Mr. Fleming (Eglinton): It is not too early in the evening to observe that the hon. member is talking through his hat. He was not here to listen to the budget speech but he is discussing now with the semblance of great authority a subject of which he knows little, if anything. It is typical of him that he should talk so freely about subjects he knows little or nothing about.

The hon. member is about 48 hours late in raising comment on this matter. I was asked about this question on Tuesday night.

Mr. Pickersgill: In the house?

Mr. Fleming (Eglinton): No, not in the house.

Mr. Pickersgill: Parliament is not told, but you tell people outside.

Mr. Fleming (Eglinton): Well, I do reserve the right to talk outside the house as well as inside. I was asked about the O'Leary report and I said then, as I am prepared to say now, that this was a large subject in itself and it was more appropriate that it should be dealt with separately from the budget. That is why the Prime Minister said what was indicated in the course of yesterday's review of matters to come before the house. The house will have a better opportunity of dealing with this important and far reaching subject in the way proposed by the government than if it were submerged with many other subjects in the course of a general budget discussion.

When the hon. member portrays with mock grief and sympathy the humiliation which he sees heaped upon the Minister of Finance, let me say at once that I reject his miserable crocodile tears. I want no sympathy from any shedder of crocodile tears. The government has proceeded in a way which is beyond the understanding of those who had their governmental experience in dictatorial days. The hon. member simply does not understand why a government should attempt to follow a course which would give parliament the most effective and fullest opportunity to discuss a subject which is of great national importance.

[Mr. Pickersgill.]

Mr. Pickersgill: I cannot allow the statement made by the minister and the aspersions cast by the minister to go without reply. However, the reply will be brief, if the minister can contain his impatience, and then the question can be put. The only thing I can find to agree with in what the minister said was his use of the word "submerge" with respect to his budget. He said the government did not want the O'Leary recommendations submerged with the budget. I suggest that that is exactly what the government has in mind—submerging this budget, drowning it without a trace, and they wish they could do it, having heard what the public has to say about it. Perhaps the Prime Minister knowing how badly the budget was going to be received, wanted to associate the recommendations having to do with the O'Leary report with some other minister rather than the Minister of Finance. At no time that I can recall since confederation—

Mr. Fleming (Eglinton): Have you been here since confederation? Who do you think you are?

Mr. Pickersgill: I suggest to the minister that he can make his reply when I have concluded and when I can hear what he has to say.

Mr. Fleming (Eglinton): Yes, my lord.

Mr. Pickersgill: Instead of doing the muttering he is doing from his seat—

Mr. Fleming (Eglinton): I was standing up.

Mr. Pickersgill: That is a direct quote from the minister. As I was saying when the minister began muttering, at no time that I can recall has any minister of finance since confederation been humiliated the day after the budget by having the Prime Minister announce that something had been overlooked, or not dealt with, and that some other minister rather than the Minister of Finance was going to introduce tax changes. It is a profound humiliation. I do not say it is an undeserved humiliation, but it is a humiliation which no self-respecting minister of finance would endure for an instant. But we know of the humiliations which the minister has endured in that quarter, and having endured so many others, this, perhaps, is one more cross that he has decided to bear until those many crosses are made on the ballots which will put the minister out of his misery.

An hon. Member: Are you going to lose?

Mr. Pickersgill: I say this is a shocking way to treat parliament. The minister talks about other governments being dictatorial. No government since confederation has ever

gone on 12 days after the end of the fiscal year without getting its supply voted for the previous year. And why?

Some hon. Members: Obstruction.

Mr. Pickersgill: Notwithstanding the biggest majority in history the Prime Minister goes on the air weeping crocodile tears and saying that he cannot control the House of Commons—that he cannot carry on the government; that he is paralysed by a handful of people in the opposition. That is the kind of self-confessed incompetence with which we have to deal, boasted about on the radio and on the television. If the Prime Minister believes he is incapable of getting the business of the country done, the sooner he ceases to try the better it will be for Canada.

Mr. Fleming (Eglinton): I shall be brief in my comment on this latest hysterical outburst. The hon. member speaks with great authority on things which have happened or have not happened since confederation. This, I suggest, is just one more of his indulgences in an arrogant type of boasting, but I will follow him in this—that I am sure that since confederation this chamber has not heard a more crocodile speech than that one.

We have an opportunity, now, to judge the earnestness, the genuineness, the sincerity of those protestations that we hear from the hon. member for Bonavista-Twillingate and others among his colleagues as to their eagerness to get on and debate item No. 729. This was the important item, they said, and they could not get to it fast enough. But you see what has happened, Mr. Chairman? We have been debating tonight for one and a half hours and we have passed one item. And here is the hon. gentleman prolonging this discussion by inviting a vote when he knows perfectly well that what is at stake here is whether the expenses incurred in the appointment and inquiries of the royal commission should be paid. This is what he is now proposing, that these expenses should not be paid. I suggest to you, Mr. Chairman, that no crocodile could propose anything more irresponsible.

Mr. Pickersgill: I am suggesting to you, sir, that this royal commission was totally and completely unnecessary, that any government that had even the most elementary capacity for decision would not have required any royal commission to go into this matter—

Mr. Browne (Vancouver-Kingsway): You would have done nothing; just like the Liberal party.

Mr. Pickersgill: This government has done nothing and it will do nothing. If the rumours that still float around this town are correct, there will be nothing whatever done by this parliament about the recommendations of the royal commission except to put things on the order paper that will never be implemented unless this session is going on a lot longer than most of the backbenchers supporting the government want it to. As the hon. gentleman said, nothing will be done about this matter.

Mr. Drysdale: Irresponsible opposition.

Mr. Pickersgill: There is no earthly reason why many thousands of dollars should have been spent on this royal commission. The problem is a simple, obvious problem. It was dealt with by the previous government in a definite manner. Speaking of crocodile tears, I have never seen a crocodile shedding tears—

Mr. Fleming (Eglinton): We have, tonight.

Mr. Pickersgill: —but there never was such a flood of phony tears shed about anything as was shed by the hon. member for Eglinton when he was sitting over here denouncing a government that did something about Canadian magazines, instead of appointing expensive royal commissions to write reports about them that are ignored. Therefore it seems to me we might as well salvage a little out of this by not paying this bill.

Mr. Fisher: I am very hesitant to speak at this time for fear the hon. member for Bonavista-Twillingate will accuse me of being Ilya Ehrenburg or some other Russian figure.

An hon. Member: He is a great authority on Russians, too.

Mr. Fisher: With respect to the hon. member's amendment let me say we do not lightly introduce amendments, and since support of this amendment would indicate that the commission and its recommendations are completely in disfavour with our party, which is not the case, we will vote against it.

Amendment (Mr. Pickersgill) negatived: Yeas, 15; nays, 56.

Mr. Fisher: I put a question on the order paper last week concerning the loss of production in paper mills arising out of the recommendations of this commission. The reply I received was that no loss of production has been anticipated. I feel this is a valid question on this item. By that answer is it meant that the government has considered the possibility of loss of production in Canadian paper mills and has concluded that there will be no loss?

Mr. Fleming (Eglinton): Mr. Chairman, that would depend entirely on the direction in which the consequences flow. It has been contended by at least one publisher in Canada of a so-called Canadian edition of a foreign periodical that there would be a reduction

in the requirement for coated paper. This is on the theory that any withdrawal from their circulation would not flow to the advantage of Canadian periodicals and be reflected in increased purchases of coated paper on their part.

The correctness of the view of the publisher that I referred to again depends on whether he is right in saying that the result would flow to the advantage of different media of communication. That is the question. This is a matter that will have to be discussed in due time when this house takes up the proposals that arise out of the study made by the royal commission. I do not think we can pursue it here in this committee at this time.

Mr. Fisher: On an item such as this I dislike bringing up an issue that involves my riding, but the Provincial Paper Mill in Port Arthur is the mill that provides paper not only for *Reader's Digest* and *Time* but also for most Maclean-Hunter publications. The minister is probably aware that the unions in that plant supported by other related groups have made representations to the government with regard to the likelihood of a loss of a minimum of 75 or up to 120 days work in a very busy mill.

The dilemma is this, and I wish to present it to the minister for a bit more information. If the recommendations of the O'Leary commission are not carried out we have an indication from Maclean-Hunter and other Canadian publishers that they will be forced to fold Canadian magazines such as *Maclean's* and *Chatelaine* and therefore out would go that part of the production of Provincial Paper Mills. On the other hand *Reader's Digest* and *Time* say that if the government proceeds with the legislation they will have to withdraw to the United States and out will go that part.

In a small way we have a problem for Solomon here. No matter which way the thing moves there is the likelihood that this particular paper mill, which is the largest producer in Canada of coated papers, is going to get it in the neck. I am sure the minister will appreciate why I am so anxious to know, as the representative of the people of that area, what negotiations the government has carried on with the various people involved so as to obtain some idea how much truth there is in the threat of *Reader's Digest* and *Time* that they are going to go back to the United States. For this reason I shall be very interested in the legislation when it is introduced to see to what extent it will come to bear on these companies.

I know the minister really cannot give much more information than he has but I wish to ask him whether negotiations or discussions have taken place recently—by that I mean within the last three or four weeks—with the representatives of *Reader's Digest* and *Time* as to their likely course of action should the government implement the recommendations of the O'Leary report.

Mr. Fleming (Eglinton): Mr. Chairman, questions as to what action may be taken on the report are, I think, quite extraneous to the item now before us. The item is related to an amount required to pay the expenses incurred by the royal commission. As to what is proper discussion in relation to action to be taken on the report, of course, that will come before parliament in due course. The question is perhaps quite understandably anticipating discussion of that kind and I think it would be altogether premature.

Mr. Martin (Essex East): May I ask the Minister of Finance a question. I listened to what he had to say a few moments ago rather heatedly in reply to the interesting observations made by the hon. member for Bonavista-Twillingate. My recollection is that when the minister spoke outside of this chamber over the Canadian Broadcasting Corporation television facilities and perhaps also over the private television facilities, with regard to the question as to why the O'Leary commission recommendations were not included in the budget he said not what he indicated a few moments ago but that there was no intention to deal with them and he gave no indication that the government was going to bring in legislation dealing with those recommendations in another form. Certainly so far as my memory serves me the minister—and I wish to be fair to him—that night indicated that there was no intention to deal with the O'Leary commission recommendations and that there was not anything unusual about that matter; that it was the government's policy; and that if it had been otherwise, it would have been provided for in the budget.

Mr. Fleming (Eglinton): The hon. member is entirely mistaken. I did not say whether the government was going to take action or was not going to take action. That was not the question that was put to me. The question was in relation to there not being any reference to that subject in the budget. I made the response that I indicated here earlier this evening, namely, that the subject was such that it would be much better that it be dealt with by itself rather than be included in a budget with a great many other subjects.

Mr. Martin (Essex East): Is not the real fact that the government had decided not to deal with the O'Leary recommendations and

that this decision was represented by no reference to the O'Leary commission in the budget report, but that the next morning the Prime Minister received a delegation of certain proprietors of certain periodicals and that it was as a result of the representations made there, in the light of coming events having to do with a general election, that the government changed its mind and the minister was put in the humiliating position in which he found himself the next morning?

Mr. Fleming (Eglinton): No, Mr. Chairman. There is not one word or tittle or trace of truth in what the hon. member has just said. That is a piece of Martinian conjecture from start to finish and there is no truth in it.

Mr. Martin (Essex East): Would the minister say I was justified in saying that there was a certain representation from certain proprietors of certain periodicals—certain instruments of mass media of the written word—the next morning that called on the Prime Minister? Or perhaps it is a fact that the Prime Minister did not advise the Minister of Finance that there was such a delegation that called on him the day after the budget had been delivered. Is that a fact?

Mr. Fleming (Eglinton): No, Mr. Chairman. Apparently the hon. member does not know what facts are.

Mr. Martin (Essex East): Has the hon. gentleman the exact words of what he said on television? Has he the text there? This matter may prove to be very important.

Mr. Fleming (Eglinton): I have in my office the text of the answers given on the French television.

Mr. Chevrier: That was wonderful.

Mr. Fleming (Eglinton): Thank you very much.

Mr. Chevrier: Boy, was that good.

Mr. Pickersgill: I think it would be very helpful, and I am seeking to be helpful—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —if the minister would do this. I should not want to hold up the item now that my amendment has been defeated. However, I think it would be helpful if the minister would undertake to get the exact words as there would have been a tape recording made for reference purposes of what the minister said, and we know how much attached this government is to tape recordings. Would the minister give us the precise words that he used outside the house to the public about the omission from his budget speech—on television in English—of any reference to the O'Leary report?

The Deputy Chairman: I recognize the hon. member for Port Arthur.

Mr. Fleming (Eglinton): This was a statement to the press in the press conference which the Minister of Finance always has the honour of having with the press gallery after the delivery of the budget.

An hon. Member: They always misquote him.

Mr. Martin (Essex East): It is very mysterious.

Mr. Fisher: I just wanted—

Mr. Fleming (Eglinton): The hon. member for Essex East is very mysterious himself most of the time.

Mr. Martin (Essex East): The minister is getting angry.

Mr. Fleming (Eglinton): No, the minister is not getting angry. The fact is that I just cannot bear cant and humbug.

The Deputy Chairman: I recognize the hon. member for Port Arthur.

Mr. Fisher: I wish to take up the point raised by the hon. member for Essex East and perhaps phrase it a little bit differently. Will the minister not agree that, if we do not have before this house dissolves the legislation indicated by the Prime Minister in his statement yesterday morning there will be a natural restriction or at least a very human restriction upon the editorial comment in the coming election campaign, in view of the fact that the whole matter will be up in the air and not only these United States publications which have their influence but also all Canadian publications that have a self-interest in this measure will be walking a very careful line?

Some hon. Members: Hear, hear.

The Deputy Chairman: Shall vote 736 carry?

Mr. Fisher: Since the minister was so extensive in his answer to the hon. member for Essex East, I wonder whether he would answer my question.

Mr. Martin (Essex East): Extensive but not altogether complimentary.

Mr. Fleming (Eglinton): I have respect for the freedom of the press and of views expressed in it. However, I do not think that the hon. member in making his conjecture expects me to agree with him. I certainly do not agree with him.

Mr. Pickersgill: We have just had another remarkable example of cabinet solidarity. We know that the Prime Minister refers to the press as the servile press. We now have the

minister boasting about our having a free press. Which of the heads of government speaks for the government?

Item agreed to.

PUBLIC PRINTING AND STATIONERY—
SECRETARY OF STATE

739. Distribution of official documents—further amount required, $35,500.

Mr. Matheson: I will try not to be long. I should like to comment briefly on this vote. Recently members received the publication "Canada and the United Nations, 1960". It is published by the Queen's printer under the auspices of the Department of External Affairs. This is the kind of document which has the story of the development of the United Nations and particularly Canada's part therein within recent years. At the beginning of this booklet there is a picture in which I think all Canadians will take pride. It is that of the Prime Minister of Canada addressing the 15th regular session of the United Nations general assembly. There is also an attractive portrait of Canada's Secretary of State for External Affairs presiding over a plenary meeting of the general assembly as one of the vice presidents of the general assembly. We all recognize the fact that a government in power will be publishing this kind of material. We welcome this kind of publication as being a part of their responsibility and adding to our knowledge of what its various departments are doing. Now, by way of contrast, I wish to mention something that has been disturbing a number of people.

An hon. Member: Name them.

Mr. Matheson: I have been asked by an hon. member in his seat to name them. I shall mention one person by name who brought this matter to my attention very recently. It was Dr. C. P. Wright who is British, who holds a Ph.D. degree and who has scholarly background in juridical matters and British constitutional procedure. Some time ago I placed on the order paper question 359 relating to the printing and the distribution of the bill of rights or the so-called bill of rights, since, when we examine the document in question of which 20,000 copies have been distributed all over Canada, we find that it really is not the bill of rights at all but is only a part of the bill of rights.

It actually appears to be part I but it is not that alone. The art work is of the finest. It is a tribute to the abilities of the artists on the staff of the Queen's printer, particularly Yvonne Diceman. If we take the answers given by the Secretary of State the other day it would appear that the idea was that of Yvonne Diceman and the Queen's printer alone.

[Mr. Pickersgill.]

Here is a document which has gone all over the country in volume. It has gone to many schools and many areas where there are new Canadians and people with very limited knowledge of legal and constitutional matters and civil liberties. Here we have a part of the act with the most beautiful art work possible. The heraldic work is excellent. But with part I of the act there is also an extract from the speech of the Prime Minister, with the words underneath, "The Right Honourable John G. Diefenbaker, Prime Minister of Canada, House of Commons Debates, July 1, 1960". In ink of another colour is the signature of the Prime Minister and it would appear as though he had signed each individual copy.

Some hon. Members: Hear, hear.

Mr. Matheson: Mr. Chairman, I thank the supporters of the government for their applause but I think there is a principle involved here and we have to have courage enough to stand up and say that under these circumstances this is not a proper expenditure of the public printing and stationery branch. I would ask hon. gentlemen in this house, and we are all gentlemen—

Mr. Martel: Except the ladies.

Mr. Matheson: Yes, except the more beautiful and talented members of the house—to consider what they would think if, for example, when old age pensions were introduced or the veterans charter or legislation relating to NATO or family allowances or the St. Lawrence seaway, the Queen's printer and the heraldic artist had produced a document of this kind over the signature of the Right Hon. Louis St. Laurent or the Right Hon. William Lyon Mackenzie King. There would have been outcry from coast to coast.

Mr. McIlraith: And properly so.

Mr. Matheson: Actually many lawyers were concerned about the bill of rights. We know that the dominion council of the Canadian bar association urged the Minister of Justice to withhold the legislation because it was in many respects misleading and because it was not clear what liberties if any it was intended to alter or enlarge. I do not intend to touch on that aspect but I do intend to touch on the fact that this particular document with all this art work which has been distributed at public expense has been used deliberately to convey the false impression that this country has received new liberties and that these are the gift of the gentleman who now presides as Prime Minister of Canada.

Mr. Browne (Vancouver-Kingsway): On a point of order, Mr. Chairman—

740. Printing and binding official publications for sale and distribution to departments and the public —further amount required, $200,000.

Mr. Matheson: I would refer to a recent issue of the Toronto *Telegram*—

Mr. Browne (Vancouver-Kingsway): On a point of order, Mr. Chairman, surely the business of the house at the present time does not justify the hon. member getting up and arguing against the bill of rights which was properly passed by this house and badly needed by the country after the Liberal administration.

Mr. Fleming (Eglinton): On the point of order, Mr. Chairman, the hon. member is dealing with a particular publication. I would be very pleased to have the opportunity of commenting on his remarks but I must observe that the item now under discussion has nothing to do with the matter he is discussing.

Mr. Martin (Essex East): Distribution of official documents.

Mr. Fleming (Eglinton): This item has to do with several specific matters. There is an increase of $20,000 required to meet the cost of extra charges resulting from the establishment of Queen's printers bookshops in Toronto, Montreal and Ottawa, an item of $10,000 which represents an additional commitment authority on advertising to promote the sale of books printed in this fiscal year, and an item of $5,500 for freight, express, cartage and postage.

Mr. Chevrier: On the point of order, Mr. Chairman, there have been a number of questions asked of the ministry concerning the matter that my hon. friend is discussing now, more particularly of the Secretary of State who answered some in part and did not answer others. I submit that under the title "Public Printing and Stationery, Distribution of Official Documents" the hon. member is surely entitled to make the points he is making. Perhaps the point has been raised by the Minister of Finance because he is so sensitive about what is being said that he does not like the argument that is being made. I suggest that the hon. member is perfectly in order.

The Deputy Chairman: If I may intercede for a moment, may I say I would feel a little more comfortable if the hon. member for Leeds would discuss what he is bringing to the attention of the committee under the next item which has to do with printing and binding official publications for sale and distribution to departments and the public. Perhaps if we could pass this particular item we could go on from there.

Item agreed to.

Mr. Matheson: Mr. Chairman, I do not want to belabour the point I have been making and I do not wish to speak at length. I think I have made my point. It is one which is rather important to some people. May I summarize my remarks by saying that any act passed by the House of Commons is an act of the parliament of Canada and if any person is to sign such a document surely it should be the Governor General.

Mr. Martin (Essex East): Have you never heard of King John?

An hon. Member: We have heard of Mackenzie King.

Mr. Drysdale: That is why we needed a bill of rights.

Mr. Matheson: Before bringing this matter forward, I followed the suggestion of this gentleman who taught political economy at British universities and I did a little research on the matter. As a result I think I can say with confidence that never before has a document of this character been published by a Canadian government and I believe this is a misuse of public funds.

Mr. Drysdale: We never had any rights under the Liberals.

Mr. Matheson: I think I can say with authority that never before has there been a prime minister who has used his office in this particular way. In my opinion the answers that have been given by the government and their failure to answer other questions indicates their acknowledgment that really this document should have been published as Progressive Conservative party literature. If we are going to have a bill of rights in which all Canadians take pride as something resulting from the deliberations of parliament, then I believe we should think of it in that capacity only and not in a political sense.

Mr. Fleming (Eglinton): Mr. Chairman, first of all I should like to make this observation with regard to the bill of rights. This was something which was introduced into this house by the Prime Minister. It was a cause in which he led the fight for years and the bill was passed in the face of derision from hon. members opposite.

Mr. Pickersgill: That is not true at all.

Mr. Martin (Essex East): On a point of order, Mr. Chairman, the bill of rights was not passed with derision—

Mr. Fleming (Eglinton): This is a continuation of the same kind of sabotage.

Business of the House

Mr. Martin (Essex East): Mr. Chairman, since you allowed the minister to go on may I complete my sentence?

Mr. Fleming (Eglinton): I have a sentence or two to complete myself.

Mr. Martin (Essex East): The bill of rights was improved as a result of suggestions made by members of the Liberal party and over the opposition of the Conservatives.

The Deputy Chairman: Order.

Mr. Fleming (Eglinton): Will you allow me to say this—

The Deputy Chairman: Order.

Item stands.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire from the acting house leader, the sub-acting house leader, what the business will be for tomorrow and, while he is stating it, could he direct his attention to next week as well?

Mr. Nowlan: Mr. Speaker, with the speed we made tonight I do not think there is much necessity of dealing with next week. We had better deal with the business from minute to minute and hour to hour. The business for tomorrow will be continuation of the debate on the supplementary estimates which we have been considering this evening. When that is concluded we shall proceed with the legislative items which were announced by my colleague, the house leader, last evening. If by any chance there should be any change in the order with which they are to be dealt with tomorrow, I am sure there will be sufficient time in the morning to announce such change so that all hon. members—who are perfectly conversant with the items because they have been on the order paper day after day and week after week—will know about it.

Mr. Chevrier: I am very grateful to the acting house leader for his enlightening remarks but I wonder could I ask him if, during the course of the time that will elapse from now until the hour we meet tomorrow at 11 o'clock, the government does change its mind, he would at least have the courtesy to advise us half an hour before the house meets.

Mr. Nowlan: I have sat in opposition for nine years and no opposition has ever been treated with the courtesy which the present opposition has received.

Mr. Chevrier: Mr. Speaker, I cannot allow that remark to go unchallenged because that is not a fact. It is not a fact simply because this government has not been able to make up its mind with reference to the orderly conduct of business, and has had to change it on several occasions—

Mr. Speaker: Order.

Mr. Chevrier: I have not had a chance to conclude.

Mr. Nowlan: There is no semblance of order on the part of the opposition.

Mr. Chevrier: I was trying—

Mr. Speaker: Order. I think further debate would not add to the clarity of the situation—

Mr. Chevrier: It is foreclosure.

Mr. Speaker: —and I declare that this house stands adjourned until 11 o'clock tomorrow morning.

It being five minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in committee of supply]:

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

Northern administration branch—
Education division—

730. Administration, operation and maintenance—further amount required, $200,000.

Welfare and industrial divisions—

731. Administration, operation and maintenance—further amount required, $202,000.

Yukon Territory—

732. Operation and maintenance—to extend the purposes of vote 302 of the main estimates for 1961-62 to include the contributions detailed in these estimates, $51,020.

Northwest Territories and other field services—

733. Operation and maintenance—further amount required, $220,000.

National museum of Canada—

734. Administration, operation and maintenance—further amount required, $50,000.

PRIVY COUNCIL

Special—

735. Expenses of the royal commission on railway problems—further amount required, $34,462.

736. Expenses of the royal commission on Canadian magazines and other periodicals—further amount required, $22,800.

737. Expenses of the royal commission on health services—further amount required, $123,000.

SECRETARY OF STATE

Public Printing and Stationery—

738. Purchasing, stationery and stores—further amount required, $60,000.

739. Distribution of official documents—further amount required, $35,500.

HOUSE OF COMMONS

Friday, April 13, 1962

The house met at 11 a.m.

CANADIAN NATIONAL RAILWAYS

ANNOUNCEMENT OF CHANGES IN PENSION PLAN

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the Minister of Transport is meeting this morning with representatives of the shipping federation in connection with the pilots' strike, and in his absence I wish to make an announcement having to do with the Canadian National Railways pension plan.

Your Honour will recall that extensive changes were made in 1959 in connection with the pension plan. Further changes have now been made. I should like to refer to those changes and then, with the leave of the house, table the order in council approving them.

Over the last few years the government has been receiving representations concerning alleged anomalies in respect to pension benefits on the C.N.R. with reference particularly to the calculation of allowable service for pension purposes. Questions have arisen with respect to the period in the 1930's when the severe economic depression caused a reduction in railway traffic resulting in lay-offs of employees. There were many aspects of this question which related to the service record of employees and the basis upon which pension benefits were calculated.

After many meetings and much discussion on the subject with interested parties, the question was included in the terms of reference of the 1961 sessional committee on railways, air lines and shipping owned and controlled by the government. During the hearings of that committee there was discussion on the subject, and witnesses from the Canadian National Railways gave detailed evidence and presented much factual information. However, under date July 7, 1961, following the hearings, the committee reported no recommendation—and I quote "because of its limited capabilities in terms of time and research assistance".

Following a special study which was made the government concluded that no specific action could be taken in respect of any particular group which would not violate the basic principle of a contributory pension plan and create a discrimination which could have far reaching implications. This view coincided with the views of Canadian National management in that service allowed for pension calculation should be based only on paid service rendered. Moreover, it became clear to the government that a departure from this principle was unworkable and would create a precedent that could have a serious impact on all pension funds operated by industrial and other employers. However, we continued to press for further consideration.

As a consequence of the intensive exploration and discussion which has taken place on this general subject, I am now able to inform the house that Canadian National management in discussion with the government and through the Canadian National pension board, which included contact with representatives of labour, has decided to amend its pension by-laws to improve the calculation of pension for the early service of existing employees. The present by-law stipulates a pension of 1 per cent for each of the first 20 years service, 1¼ per cent for the next 10 years and 1½ per cent for each year of service thereafter. After careful consideration of all factors, Canadian National management is now of the view that an increase in pension from 1 per cent to 1¼ per cent for the first 20 years service, to come into force with an increase in the contribution rate from 5 per cent to 5½ per cent, would be the improved benefit that would be most welcomed by all concerned and meet most effectively the changing conditions of railway employment.

Furthermore, while the amendment would be of general application to all employees now in service, it will have a further effect in that on the average it will produce a larger pension than would have resulted from the making of a special concession to those affected by the 1930 lay-offs or indeed lay-offs in any past period. This amendment of the Canadian National pension by-law has been submitted for the approval of the governor in council and approved effective from April 1, 1962.

When taken in conjunction with the changes that were made in 1959 I believe these changes will to a very considerable degree remove the fears expressed so often by Canadian National Railways employees that all was not being done that should be done to meet their legitimate pension claims.

With the leave of the house, Mr. Speaker, I should like to table the order in council with by-law No. 54 attached, which sets forth the various proposals.

Mr. Speaker: Has the Prime Minister leave of the house to table the documents referred to?

Some hon. Members: Agreed.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I am sure the house will welcome the statement made by the Prime Minister with reference to the betterment of pension conditions for employees of the Canadian National Railways.

The Prime Minister correctly said that in 1959 there were important financial changes made with reference to the Canadian National Railways pension plan, as there were in a previous period, the date of which escapes me at the moment, when the predecessor of the present government was in office.

The Prime Minister was also right in saying that these matters are disposed of first and foremost by the Canadian National Railways pension plan board. This group comprises people who deal with the actuarial soundness of the pension plan of the Canadian National Railways. Unless my memory fails me at the moment there are approximately 15 or 20 members representative of the various railway unions and of the various divisions of the operating branches of the Canadian National Railways.

The Prime Minister was also quite right in saying that the matter had been submitted to the sessional committee on air lines and other agencies owned and operated by the government, which committee had heard evidence on the matter. I am sure the house will remember also that representations had been made by the hon. member for Kenora-Rainy River (Mr. Benidickson) to the committee and the house on many occasions with reference to the betterment of conditions concerning this pension plan.

While I have no right to introduce a contentious note, and have no intention of doing so, I would remind the house and the Prime Minister that these matters might well have been disposed of a long time ago. It could well have been done by the sessional committee or on recommendation from them. It might well have been done much earlier in the session by a bylaw passed by the Canadian National Railways, which is now tabled. This government has been in office now over 4½ years and could have done it at a prior time.

Mr. Fleming (Eglinton): What about the previous 22 years?

Mr. Chevrier: However, that does not derogate from the fact that these recommendations as put forward to the Prime Minister by the Canadian National Railways pension board are excellent and commendable, and the house and the country I am sure will accept them with satisfaction. However, I would add this comment. It is unfortunate that the government has not thought of coming to the assistance of the railway workers, some 25,000 of them, who have been put out of work by the policies of the present government.

Mr. Speaker: Order. The hon. member is departing from the subject matter of the announcement. I recognize the hon. member for Port Arthur.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, everybody seems to be a lion this morning for the poor railway worker. It seems to me, if I correctly caught the Prime Minister's phrasing that this announcement applies only to existing employees rather than to existing employees and existing pensioners. If that is the case there will be considerable disappointment. If he reviews the proceedings of our committee last year, he may remember that the main impetus for a review came from the people who were presently on pension. This organization is centred in Winnipeg. The hon. member for Winnipeg South (Mr. Chown) had arranged for them to speak at the committee hearing. They made their presentation to all of us. I know that, even as the Prime Minister suggests, there will be considerable disappointment, and this notwithstanding the fact that the present employees of the Canadian National Railways will be delighted from their point of view. If I am wrong in this assumption I hope the Prime Minister will correct me.

However, it seems to me there is almost an unexpected turn here in view of the opinion expressed last year by the president of the C.N.R. before our committee that it was most unlikely that the pension board or the management could see their way clear to improve the pensions. The question, of course, that will remain in our minds extends not only toward the existing pensioners but also toward the fact that the very same conditions that created a poor pension period for the workers on the Canadian National Railway also apply to the other giant railway.

[*Later:*]

On the orders of the day:

Mr. C. F. Kennedy (Colchester-Hants): May I direct a question to the Prime Minister which arises from the very welcome statement he made this morning regarding railway pensions. Would the Prime Minister be good enough to tell the house how reconsideration of this question came about, and whether or not there is any application to the Canadian Pacific?

Mr. Speaker: I think perhaps the latter part of the question would be in order, but the invitation to the Prime Minister to elaborate on his statement would not seem to me to be the urgent type of matter that is dealt with on orders of the day.

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT

AMENDMENTS TO CONFORM TO TAX-SHARING ACT AND INCREASE PAYMENT

Hon. Donald M. Fleming (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 amend the Federal-Provincial Fiscal Arrangements Act to provide an arrangement with respect to fiscal years commencing on or after April 1, 1962 similar to that provided in the Federal-Provincial Tax-Sharing Arrangements Act with respect to previous fiscal years; to provide also in the said amendment for an increase of one third in the amount of the payment, from one dollar and fifty cents to two dollars per capita.

Motion agreed to.

EXTERNAL AFFAIRS

NUCLEAR TESTS—REPORTED REPRESENTATIONS BY CANADA TO U.S.

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Secretary of State for External Affairs if he can tell us whether, as reported in today's press, Canada has made formal representations to the government of the United States regarding its decision to resume nuclear tests. The minister mentioned discussions yesterday, but the press today reports that there were formal discussions, involving a two hour conference between our ambassador in Washington and the secretary of state of the United States. The story goes on to report that the representations Canada made were to the effect that these tests should not be resumed whether or not the United States was able to reach agreement with the Soviet union in the matter.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I dealt with that matter yesterday in my answer to a question by the Leader of the Opposition. I saw the article to which the hon. member is referring but I think there was quite a bit of speculation in that article.

Mr. Martin (Essex East): In view of the importance of this matter, does the minister think that he could advise the house as to the nature of the representations Canada made?

Mr. Green: I think the hon. member will realize that where there are exchanges such as I described yesterday it would not be wise for me to try to put a title on those exchanges.

POWER

COLUMBIA RIVER—REPORTED STATEMENT BY JUSTICE MINISTER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to ask the Secretary of State for External Affairs a question based on a press dispatch in the *Gazette* this morning headed, "Fulton Backs McNaughton Treaty Plan", and reading in part as follows:

Hanna, Alta.—Canada would have been better off with a Columbia river treaty drawn according to General A. G. L. McNaughton's wishes, justice minister Davie Fulton said here.

If this press report is correct, does this represent the general opinion of the Canadian government?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the hon. member should not place such reliance on a heading of a newspaper article. The heading in fact does not fully fit the report and the report itself is only a partial one. I think the hon. member would be quite unwise to count too much on this article.

MANITOBA

NEW SITE FOR TOWN OF CHURCHILL

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, may I ask the Minister of Public Works whether the federal government has made an offer to the government of Manitoba to pay two thirds of the cost of moving the town of Churchill to a new site and, if so, whether that offer has been accepted or is being considered?

Hon. D. J. Walker (Minister of Public Works): I will accept that question as notice, Mr. Speaker.

Mr. Pickersgill: Doesn't the minister know?

DOMINION-PROVINCIAL RELATIONS

QUEBEC—REPORTED STATEMENT BY PREMIER RESPECTING DEFICIT

On the orders of the day:

Mr. J. R. Keays (Iles-de-la-Madeleine): Mr. Speaker, I have a question for the Minister of Finance. Will he comment on the statement of the premier of Quebec that encroachment by the central government on the provincial taxing authority has caused Quebec's large deficit?

Mr. Speaker: Order. I think it would be improper to invite the Minister of Finance to comment on a statement made in a provincial legislature which relates to the financial affairs of that province. If hon. members do not accept that view, I will be glad to hear the minister.

Hon. Donald M. Fleming (Minister of Finance): With respect, Mr. Speaker, the report in question is one in which the premier of Quebec is reported to have laid on the shoulders of the federal government responsibility for his own deficit, and therefore I think it is a matter of concern to this house and to the federal authority.

Mr. Speaker: The premier of Quebec was expressing an opinion, and if the question is allowed it will involve asking the Minister of Finance to express an opinion. In essence it will introduce a controversial debate rather than a search for information, and I would consider that sort of question improper at this time in the house. It should be taken up in a debate in the house or in committee, where the pros and cons can be dealt with.

Mr. Fleming (Eglinton): Mr. Speaker—

Mr. Chevrier: The Speaker has decided.

Mr. Fleming (Eglinton): —to meet the point you have made and on which you have expressed some concern about expression of opinions, perhaps it would meet the needs of the situation if, instead of my offering any comment, the house were to give me leave to put on the record the figures of payments out of the federal treasury to the province of Quebec—

Some hon. Members: Order.

Mr. Pearson: Mr. Speaker—

Mr. Fleming (Eglinton): —commencing with the fiscal year 1956-57.

Mr. Speaker: Order. I must ask the house to observe the proprieties. It is impossible to know what the Minister of Finance is saying if everybody seeks to settle the question before it has been fully placed before the Chair. I understand that the minister suggests that, by leave, some document should be placed on the record. I understand that leave is not available, so I will consider the matter closed.

[*Later:*]

Mr. Grant Campbell (Stormont): Mr. Speaker, may I address a question to the Minister of Finance. Due to the serious financial difficulties which the government of Quebec has got itself into, could the Minister of Finance—

Some hon. Members: Order.

[Mr. Keays.]

Mr. Campbell (Stormont): —give us comparable figures of federal grants to the province over the last eight years to assist Quebec—

Mr. Speaker: Order. I have regretfully—perhaps not regretfully—to inform the hon. member for Stormont that the finances of the province of Quebec have not yet become the responsibility of the Minister of Finance.

Mr. Pearson: On a point of order—

Mr. Fleming (Eglinton): On a point of order too, Mr. Speaker.

Mr. Speaker: Order. There are two hon. members on their feet. I am not sure, but I think the Leader of the Opposition rose first and I will hear what he has to say.

Mr. Pearson: On a point of order, Mr. Speaker, I would ask you if it is not improper to allow debate on the budget of Quebec when we are not allowed to debate the federal budget.

Some hon. Members: Hear, hear.

Mr. Chevrier: That is a home run.

An hon. Member: That is a knockout.

Mr. Fleming (Eglinton): I have my own point of order, Mr. Speaker, and then I wish to comment on the observation of the Leader of the Opposition.

Mr. McIlraith: You are not entitled to do that.

Mr. Fleming (Eglinton): My own point of order is this. While the financial affairs of the province of Quebec are its responsibility, and are immediately the responsibility of its own minister of finance who is the premier of the province, nevertheless the payments out of the federal treasury to the province of Quebec are a matter of federal concern. As I understood the question of the hon. member for Stormont, he was asking me about the payments out of the federal treasury to or for the benefit of that province. This I should take to be a proper question.

Some hon. Members: Oh, oh.

Mr. Speaker: No; I am sorry, but I cannot—

Mr. Fleming (Eglinton): I have an observation I wish to make also on the point of order of the Leader of the Opposition.

Mr. Speaker: Perhaps I can deal with this point of order and then hear the minister again.

Mr. Campbell (Stormont): Mr. Speaker, may I speak to the point of order?

Mr. Speaker: I think that is unnecessary. I am quite clearly of the view that federal

payments to the province of Quebec is information equally available to all hon. members of the house, and this is not a proper subject for an inquiry on the orders of the day. I will now hear the Minister of Finance.

Mr. Fleming (Eglinton): Mr. Speaker, the Leader of the Opposition, under the guise of raising a point of order, has made a statement upon which I think it only right that comment and rejoinder should be made from this side of the house. He has sought to leave the impression that the federal government is in some way denying to the house an opportunity for debate on the budget.

Mr. Martin (Essex East): That is right.

Mr. Fleming (Eglinton): That is not the fact. The facts are all against the Leader of the Opposition, as they so often are.

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): The fact is this, that some of his supporters, notably the voluble member for Bonavista-Twillingate, the member for Laurier and others, have been screaming for days that we should get on with the supplementary estimates, and we were told that we should be diverted to the discussion of a particular debate that those opposite sought to introduce into the house on Monday. Only one debate at a time can proceed—

An hon. Member: Then sit down and we will get on with the business.

Mr. Fleming (Eglinton): —and I suggest very respectfully that the sincerity and earnestness of protestations like this can best be judged by the actions of those who make those statements—

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): —and we have faced nothing but obstruction from them. We have had nothing but obstruction for days.

Some hon. Members: Oh, oh.

Mr. Denis: Get your flag.

Mr. Speaker: Order. I agree that hon. members are capable of forming their own conclusions about the conduct of the house and that we should not spend time debating matters that convey certain things to some minds, and other things to others.

Mr. Chevrier: Mr. Speaker, I am not going to allow the Minister of Finance—

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chevrier: —to make that statement—

Mr. Drysdale: We have a new Speaker.

Mr. Speaker: Order. While I appreciate that the hon. member may be aroused by what has been said, I think no good purpose would be served in continuing the discussion. We have had one speaker from each side. It is true that the Leader of the Opposition was relatively brief, but I am not going to hear any more discussion on this point.

Mr. Campbell (Stormont): I am not going to hear the hon. member say—

Some hon. Members: Sit down.

Mr. Chevrier: The statement made by the Minister of Finance was—

Mr. Speaker: Order.

Mr. Chevrier: —wholly inaccurate.

Some hon. Members: Order.

Mr. Speaker: Order. Each will deny the other's view, and I see no point in continuing the discussion.

Mr. Keays: Mr. Speaker, the answer to the question which I am now soliciting from the Minister of Finance is of the utmost importance to the residents of the province of Quebec—

Mr. Chevrier: Oh, you have decided that.

Mr. Speaker: Order. Is the hon. member adverting to the question he asked some time ago?

Mr. Keays: No, I think it is a little different, and I would like to—

Some hon. Members: Oh, oh.

Mr. Keays: —ask the minister whether federal payments to Quebec have been reduced, in view of the fact that the premier of Quebec claims that the provincial deficit was caused by federal action.

An hon. Member: Order paper.

Mr. Fleming (Eglinton): That is a fair question, too.

Mr. Chevrier: On a point of order.

Some hon. Members: Sit down.

Mr. Grafftey: Running from a fight.

Mr. Speaker: Order. I did not understand the significance of the question; would the hon. member for Iles-de-la-Madeleine mind repeating his question?

Mr. Drysdale: The Grits are running scared.

Mr. Keays: I would like to ask the Minister of Finance whether federal payments to the province of Quebec have been reduced, in view of the fact that the premier of Quebec claims that the provincial deficit has been caused by federal action.

Inquiries of the Ministry

Mr. Drysdale: That is a good question.

Mr. Hees: Yes, very fair.

Mr. Speaker: Order. The hon. member is showing persistence, but payments to the province are voted by this house—

Mr. Drysdale: It is federal money.

Mr. Speaker: —and information about the payments to the provinces is equally available to all hon. members. In those circumstances it is not customary to take the time of the house to ask about those matters.

Mr. Drysdale: It is a reflection on the federal government.

Mr. Fleming (Eglinton): May I point out that while on previous occasions the house has been given the figures year by year showing repeated increases in the payments to the province of Quebec, the house has not yet been given the estimate for the payments in the present fiscal year 1962-63 to that province.

Mr. Martin (Essex East): We will have that in the budget debate.

Mr. Speaker: Order. I take it the house will have the opportunity to deal with those matters in due course.

Mr. Martin (Essex East): When we have the budget debate.

Mr. Speaker: It seems to me that there is no urgency in a matter which the house has eventually to decide.

Mr. O'Hurley: You don't want it, eh?

(Translation):

Mr. Remi Paul (Berthier-Maskinonge-Delanaudiere): Can the Minister of Finance tell the house the amounts paid to the provinces since 1956-57, including those paid to the province of Quebec?

(Text):

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I suggest that this question and all similar ones be put on the order paper.

Mr. Maurice Johnson (Chambly-Rouville): Mr. Speaker, with all this confusion I will not say to which minister I will direct my question; I will let the Speaker decide. Is it not a fact that the Quebec deficit in the amount of $140 million—

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Johnson: —would amount to close to $400 million had not the Quebec government—

Some hon. Members: Order.

Mr. Johnson: —decided to collect close to $250 million from the federal government?

[Mr. Keays.]

Mr. Speaker: Order. Perhaps the hon. member has got his argument on *Hansard* by now, but I must tell him that he is strictly not in order.

SHIPPING

ST. LAWRENCE RIVER—GOVERNMENT ACTION IN DISPUTE RESPECTING PILOTS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Labour in the absence of the Minister of Transport. Is the Minister of Labour able to say what the result has been of the meeting which the Minister of Transport has called between the pilots and the shipping federation?

Hon. Michael Starr (Minister of Labour): The Prime Minister has advised the house that the Minister of Transport is even now in discussion with the interested parties to this dispute. Consequently I am not able to give any report. If there is any report I think it only proper that the Minister of Transport should give it.

Mr. Chevrier: What prompted my question was the fact that yesterday, in answer to a question, the minister said he had a meeting with them yesterday and I wanted to know what the result had been. However, I have a supplementary question, and it is this. In view of the fact that the pilots of Vancouver and the pilots of Saint John, as well as the stevedores in some national port, have said that unless there is a settlement reached they will support the strikers, and the stevedores are under the jurisdiction of the Minister of Labour, what action has the minister taken to bring the parties together?

Mr. Starr: The situation to which the hon. member for Laurier refers is, at the moment, hypothetical.

BUSINESS OF THE HOUSE

EASTER RECESS OR DISSOLUTION?

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): May I address a question to the Prime Minister, and ask his courtesy and consideration for those of us in the House of Commons who represent ridings from 1,000 to 3,000 miles away from the seat of government. I should like to ask the Prime Minister if he will indicate to those of us in this position whether we should arrange our office affairs and transportation on the basis of an Easter recess or dissolution of the house.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think I will be in a position early in the week to make a full

statement on this question, so that hon. members may do that which the hon. member suggests they should do. I hope, early in the week to be able to make a statement that will answer the question in the fullest detail.

ADMINISTRATION OF JUSTICE

FEDERAL CO-OPERATION IN FIGHT AGAINST ORGANIZED CRIME

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): In the absence of the Minister of Justice may I direct my question to the Solicitor General. Following a press report emanating from Washington to the effect that the United States and Ontario will co-operate in the fight against organized crime, may I ask if the federal Department of Justice will now co-operate actively with the province of Ontario in this field. If so, how does it intend to proceed?

Hon. W. J. Browne (Solicitor General): I think that question asks what the policy of the government is going to be, and I do not think it is a suitable question for orders of the day.

Mr. Deschatelets: May I ask a supplementary question. Will the federal Department of Justice now join with the United States and the province of Ontario to fight organized crime in this country?

Mr. Browne (St. John's West): I still think that is a question of policy, but the Department of Justice is endeavouring to fight organized crime all the time, and is not waiting for the initiative of anyone else.

INQUIRIES FOR RETURNS

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the parliamentary secretary to the Minister of Justice if he is now in a position to table the documents which this house voted the other day with regard to the decision of the Attorney General of Canada to allow the extradition of one John Papalia, a possible witness in connection with the crime probe now being conducted in Ontario.

Mr. Thomas M. Bell (Parliamentary Secretary to the Minister of Justice): Mr. Speaker, we hope to be able to do that the beginning of next week.

Mr. Martin (Essex East): Before the commission disbands, I hope.

Mr. H. W. Herridge (Kootenay West): On Friday last I asked the Minister of Northern Affairs and National Resources a question concerning an order for return which had to do with the biographies of certain officials of the water resources branch. I wonder if the hon. gentleman can now indicate when this information will be available.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Yes, Mr. Speaker; it is being tabled this week.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF CANADIAN FIGURE SKATERS

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, to introduce a happy note into this house, I am sure all hon. members will be interested in knowing that we have two young Canadians, of whom we are all proud, visiting the House of Commons. I refer to Donald Jackson, the men's world champion figure skater, and Wendy Griner, who was runner up in the ladies' division. These two young people have brought great honour to Canada. They are accompanied by their mothers, Mrs. Jackson and Mrs. Griner.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, on behalf of the opposition may I join in the welcome which the minister has given on behalf of the house to two of our most outstanding and distinguished international athletes. Not many of us got a chance to attend the world skating championships in Prague but most of us had the opportunity of seeing the performance on television. It was magnificent, and if it had not been for one unfortunate little slip and a fall we would have had two gold medals instead of one.

Mr. H. W. Herridge (Kootenay West): On behalf of the members of this party I wish to join with the Minister of Labour and the leader of the official opposition in extending a welcome to these Canadians who have brought such honour to Canada. I trust their efforts in this field will spur the federal government to a realization that it has to do more with regard to assisting this type of sport.

NORTHERN AFFAIRS

ARCTIC PATROL OF WELFARE WORKERS IN CHARTERED AIRCRAFT

On the orders of the day:

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): On April 6 the hon. member for Bonavista-Twillingate inquired whether a government chartered aircraft was touring the eastern Arctic with welfare workers aboard. This matter has been investigated carefully and the answer is no. Transportation in the eastern Arctic does depend on charter aircraft, but there has been no such flight during the past few weeks.

TRADE

AIR LIFT OF U.S. EXECUTIVES TO CANADA

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I wish to ask the Minister of Trade and Commerce a question relating to what has become popularly known as the Hees air lift. I wonder if he can give us any details as the reason for his department air lifting United States executives to Canada. Could the hon. gentleman give us a general explanation of the plan?

Hon. George H. Hees (Minister of Trade and Commerce): Yes, Mr. Speaker. This government has made efforts over the past years to generate trade for Canada and Canadian producers in every part of the world. The United States is a very large and lucrative market which we want to penetrate as much as we can. We have made tremendous efforts to penetrate that market by sending trade missions to the United States and encouraging individual businessmen to go there and sell their products. This is just one further example of the effort of this government to help sell Canadian products for Canadian producers. In this case we are bringing United States buyers to Canada in quite large numbers so they can see for themselves the fine products which Canada produces for them to use in their own country.

Mr. Fisher: I just want to ask the minister if he could comment on the report that in order to achieve this he had to threaten to pay for having these people up here himself.

Mr. Hees: No, Mr. Speaker.

Mr. G. J. McIlraith (Ottawa West): A supplementary question. Is the minister sending an air lift to Cuba as well?

Mr. Hees: I think that question deserves the kind of answer which it will not receive.

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

SECRETARY OF STATE

Public Printing and Stationery—

740. Printing and binding official publications for sale and distribution to departments and the public—further amount required, $200,000.

Mr. Pitman: Last night before the committee rose there was some discussion which had to be cut off with regard to the work being done by the queen's printer in connection with the printing and distribution of the Canadian Bill of Rights. We in this party feel that the bill of rights was probably one of the proudest achievements which parliament has been able to carry out over the past century. However, I think the worst thing which could be done is to associate this achievement with any particular party or prime minister.

Some hon. Members: Nonsense.

Mr. Walker: On a point of order, would the hon. member indicate if it is not our Prime Minister and the Conservative party who should be given any credit for it? The Liberals opposed it for 22 years.

The Chairman: That is not a point of order.

Mr. Pitman: It is obvious that what the minister has said is right. This is something which was introduced into this house by the Prime Minister, but surely it was passed by this parliament and endorsed by all the members of the other parties. When such a document is being published at public expense I think it would be better understood if it were not partisan.

This is by no means the first bill of rights which has been drawn up. There is, for example, the constitution of the United States of America. The reason this receives the respect of all people is that it is non-political; no political party has made it a special area of concern.

Mr. Slogan: I wonder if the hon. member would feel that the children in the United States reciting the Gettysburg address are participating in a partisan activity?

Mr. Pitman: Surely not; but I have no knowledge that the government of the United States produces copies of the Gettysburg address at the public expense and sends them out to the school children.

Mr. Slogan: They do.

Mr. Pitman: This document must surely be looked upon with approval by Liberals and by members of the New Democratic party. It must be capable of being hung in the homes of all people. It must be capable of being hung in school rooms and looked upon with pride by people belonging to all parties and of all persuasions. I would hope, therefore, that the queen's printer would change the format which has been used.

Some days ago I placed a question on the order paper in relation to the use which is being made of the bill of rights. In one supermarket in Toronto copies were being dispensed as part of a promotion campaign for selling toothpaste. I am not going to blame the government for this, and I am not sure that the format used by the queen's printer was being used in this instance. Surely if we want this document to receive the respect of people of all political persuasions we do

not want the name of any political personage on it. That should be the rule of thumb with regard to all such documents when they are produced at public expense.

Mr. Fleming (Eglinton): Last night we heard a statement from the hon. member for Leeds concerning a particular document published by the queen's printer bearing the signature of the Prime Minister in relation to the enactment by parliament of the bill of rights. The hon. member for Peterborough has proceeded this morning to add his contribution to the most extraordinary statement made last evening by the hon. member for Leeds. The hon. member for Leeds is new and he may be very gullible but he should not, I think, attempt to go very much further in his political career making the kind of statement he made last night unless he has checked his facts first. The hon. member will find it is a good practice to check facts before assertions are made in this House of Commons, and I commend the same advice to the hon. member for Peterborough.

I wish to make two points in relation to this matter. We are speaking here of a document printed by the queen's printer and made available by him to the public. I wish to speak first of all of the commercial aspects of the matter; then I wish to deal specifically with the objections taken by these hon. members to the use of the signature of the Prime Minister on a government publication.

The first fact that I think is worthy of the attention of the committee is that this is not a publication that is costing the taxpayers of Canada so much as one cent. The hon. member for Leeds put this matter before the committee last evening as though public funds were being used in an improper manner with a view to publicizing the photograph and signature of the Prime Minister. Surely the hon. member does not object to the assertion that the Prime Minister introduced the bill of rights in this house.

Mr. Martin (Essex East): With the help of parliament.

Mr. Fleming (Eglinton): With no help from the Liberal opposition, Mr. Chairman; none whatever. Of course it was parliament that enacted the bill of rights; only parliament could. During 22 years in office hon. members opposite had not only made no effort to introduce a bill of rights but they had opposed efforts made by the present Prime Minister when he was in opposition to introduce and enact a bill of rights. When the Prime Minister in 1960 introduced the measure to enact the bill of rights in this country, was there any assistance from hon. members opposite? No, there was not, Mr. Chairman.

Mr. Martin (Essex East): Oh, oh.

Mr. Fleming (Eglinton): There was opposition; there was derision; there was obstruction.

Mr. Martin (Essex East): Don't talk nonsense, utter nonsense.

Mr. Fleming (Eglinton): If hon. members opposite are prepared to admit that the records of this house are correct in indicating that the Prime Minister introduced the bill to enact the Canadian Bill of Rights, then perhaps we may now move on to consider the question whether public funds are being used at all in this matter, let alone used in some improper way to give currency to the photograph or signature of the Prime Minister in some manner that is not proper. The fact is that the treasury is making money on this publication; it is a best seller. It costs 30 cents to print every copy of this publication, and we are selling it at $1 a copy. We are not giving it away. We are not imposing a burden on the treasury. We are selling this publication and making a handsome profit on every sale.

An hon. Member: Profiteers.

Mr. Fleming (Eglinton): When I say it is a best seller I mean exactly that. Twenty thousand copies were printed, 14,500 have already been sold and more orders are coming in. I think one may take satisfaction in the fact that this document is paying dividends to the federal treasury. I wish we had more documents of that kind.

Mr. Martin (Essex East): It would help offset your deficit of $791 million.

Mr. Fleming (Eglinton): Turning now to point No. 2, is there something extraordinary about the use of the signature or photograph of the Prime Minister on a publication? To listen to the hon. member for Peterborough talk, any document that bears the name of a minister in office obviously is immediately disqualified because he is a political figure.

Well, Mr. Chairman, the hon. member is going to have to revolutionize the practice that has existed here in parliament for many and many a year, because documents issued under the authority of a minister must be so described. They do not just come out without some authorization and it is customary, of course, on all these documents to name the source of authority. If that were not given, of course, hon. members opposite like the hon. member for Peterborough would be screaming about there being no shown source of authorization.

What are the facts here? It was a new member who was chosen by the Liberal party to make such a foolish, uninformed and misleading statement last evening. The hon. member for Bonavista-Twillingate, who always rises and tells us he does not remem-

ber something being done since confederation, always leaving the impression that he has been here since confederation and knows everything that has gone on here and everything that was ever done in the house, was present in this chamber last evening, but he did not call on his memory, such as it is, to rebuke or correct the hon. member for Leeds.

What are some of the facts the hon. member for Leeds evidently was not aware of and had not taken the trouble to find out, and which the hon. member for Bonavista-Twillingate had either forgotten or did not choose at the time to bring to the attention of the hon. member for Leeds before that hon. gentleman got himself any further into the posture of putting his foot in his mouth?

Mr. Drysdale: A Liberal tradition.

Mr. Fleming (Eglinton): What are the facts? Let me turn up just a few publications. The hon. member for Leeds is a Liberal; he was elected as a Liberal. I have before me a government publication entitled "Canada—1949". This is a government publication issued when the Liberals were in office. What do I find? Here is an insert entitled "A Message from the Prime Minister of Canada".

Mr. Martin (Essex East): A dignified prime minister.

Mr. Fleming (Eglinton): This message was printed, Mr. Chairman, and it bears the signature "Louis S. St. Laurent, Prime Minister". The document is dated January 1, 1949. Fifty thousand copies of this document were printed. I suppose those 50,000 signatures must be a very great burden upon the soul and conscience of the hon. member for Leeds. They have been in existence for the last 13 years. The publication contains a message from the prime minister of that day. He tells the story of the entry of Newfoundland into confederation. I suppose on the theory that he was a political figure the hon. members for Leeds and Peterborough would say it is highly improper that a message of this kind accompanying a government publication should have borne the signature of the prime minister of Canada.

Mr. Martin (Essex East): A different situation altogether.

Mr. Fleming (Eglinton): I have dealt with one publication, but let us not stop there, Mr. Chairman.

Mr. Browne (Vancouver-Kingsway): Would the Minister of Finance permit a question? Am I correct in assuming that that particular publication would have been printed at public expense, unlike the document that is presently being discussed?

[Mr. Fleming (Eglinton).]

Mr. Fleming (Eglinton): Yes, it was printed at public expense. There was a small charge for the sale of that document, I think 25 cents. It did not sell for the substantial price at which the document bearing the signature of the present Prime Minister is sold.

Mr. Martin (Essex East): Two different situations altogether.

Mr. Howard: A pox on both your houses.

Mr. Fleming (Eglinton): The hon. member for Leeds may perhaps draw a distinction between documents bearing the signature of a prime minister and documents bearing a photograph of a prime minister. Let us see what we have here. I have in my hand another publication entitled "Canada—1948".

Mr. Martin (Essex East): Who is holding up the estimates now?

Mr. Matheson: Filibuster.

Mr. Fleming (Eglinton): Turning over the cover of this document we find a photograph of the then prime minister, Right Hon. William Lyon Mackenzie King. It is quite an impressive photograph, too; it is the famous Karsh photograph, and it is in colour, a very expensive colour printing job.

Mr. Martin (Essex East): I rise on a point of order, Mr. Chairman. Would Your Honour consider me in order if I were now to ask you to point out to the Minister of Finance that he is holding up the supplementary estimates?

Mr. Drysdale: Nonsense. Who started this?

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member for Essex East has just shown that what irks and pains him very much is to be obliged now to hear the truth.

I have shown this photograph to the committee and pointed out that it is a very expensive printing job because it is all in colour. Anyone who knows anything about printing knows that the addition of colour makes a printing job very much more expensive. Although much additional money was spent on printing that photograph in colour, this publication still sold at the same low price of 25 cents.

But suppose the hon. member for Leeds still says there is a difference; after all, it may be that there is some difference here between a prime minister's photograph in colour or a signature of a prime minister on a document, on the one hand, and the signature of the present Prime Minister on a document on the other hand.

Mr. Martin (Essex East): What a spectacle the Minister of Finance is making.

An hon. Member: The hon. member for Essex East is leaving the chamber.

Some hon. Members: Oh, oh.

Mr. Drysdale: Run for your life; the Minister of Finance is coming.

Mr. Fleming (Eglinton): What about the content of the message? It may be significant in testing whether there is any political aspect to such a publication or political advantage to the prime minister of the day if we examine the printed matter that accompanied this handsome coloured reproduction of the photograph of the prime minister in 1948. What this is all about is not an announcement of Newfoundland entering confederation. It is not an announcement of the enactment of a very important constitutional document on the government of Canada. This printed matter contains, if you please, the record in office of the then prime minister, in 1948, namely Mr. King. It purports to tell the story—of course in the same glowing terms—of the length of time he had been in office, and it compares him with some other lesser prime ministers who had not survived in office quite so long. If this has no political aspect to it, or if there was no political value accruing therefrom to the prime minister of the day or to the party he led at the time, then I am a very innocent person indeed. However, I must confess to having not only the deep suspicion but the profound conviction that this particular page appearing in this publication opposite the photograph of the prime minister had the effect of painting his record in glowing terms, just as did his photograph appearing in colour.

However, that is not all, Mr. Chairman. If the committee wishes more I can give it more. There are other publications. There is nothing new about this procedure. One might expect the armed forces not to be overlooked in the matter of government publications. Here is the bound volume containing the monthly issues of *Current Affairs* of the Canadian forces for 1955. Here is the issue for June 15, 1955, volume 8, No. 12, containing a foreword bearing the signature of Ralph Campney, minister of national defence.

It would not do, Mr. Chairman, to overlook some other hon. members opposite. I produce another publication entitled "Canada and the United Nations, 1956-57". This document, if you please, has an extensive foreword—it is a three page foreword—which bears the signature "L. B. Pearson, secretary of state for external affairs, Ottawa, May, 1957". Does that date of May, 1957, recall anything to your mind, Mr. Chairman? Of course it does. I just thought of it. That was the month prior to the election, was it not? I am sure that it was by the purest—and I emphasize the word "purest"—chance, the merest coincidence, that this particular publication came out at that time bearing the signature of one L. B. Pearson, secretary of state for external affairs.

Mr. Martin (Essex East): Canada's next prime minister.

Mr. Fleming (Eglinton): No; Canada's former secretary of state for external affairs. This was not an isolated example. Of course, apparently when you have an idea—this will be the theory of the hon. member for Leeds—you keep it up. I refer to the advertising theory. Here is the same publication, namely *Current Affairs* for January, 1956. It contains another foreword bearing the signature of Ralph Campney, minister of national defence. Here is *Current Affairs* for October 15, 1952, which has a foreword bearing the signature of the late lamented Brooke Claxton, minister of national defence. Here is another one, *Current Affairs* of the Canadian forces, January 1, 1957. Again there is a foreword bearing the signature of Ralph Campney, minister of national defence. One could go on and on, Mr. Chairman. However, perhaps I have said enough—

Mr. Martin (Essex East): Hear, hear.

Mr. Fleming (Eglinton): —to indicate that when the hon. member for Leeds spoke last night and splattered all over the record some of the most misleading statements that have probably been heard by this House of Commons in its lifetime, he did no service to himself or to the standards of public life.

Mr. Matheson: Every word in *Hansard* speaks for itself, as does the document itself. I certainly am not going to be a party to this filibuster and hold up this item.

An hon. Member: Who started it?

Some hon. Members: Oh, oh.

An hon. Member: He should withdraw the statement he made last night.

Mr. Winch: Over the years in this House of Commons I have heard a great deal of histrionics and have seen much of dramatics, but I have seen nothing which quite compares with what we have seen and heard in this last 10 minutes from the Minister of Finance.

Mr. Chevrier: Twenty five minutes.

Mr. Winch: No, I am referring to his last 10 minutes. I am not quite certain whether he is to be compared in respect of dramatics with Hamlet or Mark Antony in the death

of Caesar. I do not mean Mark Antony of Rome; I mean Mark Antony in the death of Caesar.

Mr. Martin (Essex East): Do you not think he reminds you of Falstaff?

An hon. Member: How about some facts?

Mr. Winch: If anybody at this session has been guilty of politicking and histrionics, it is the Minister of Finance right here and now.

Mr. Drysdale: Who raised the matter?

Mr. Winch: He went over issue after issue of previous publications by the queen's printer in which there were pictures and introductions by other prime ministers or other ministers in the cabinet. That is not the question before this committee at this time whatsoever.

Mr. Johnson: What about the Saskatchewan *News?*

Mr. Winch: It is the extraordinary situation of a statute of the House of Commons and of the other place being issued by the queen's printer with a photograph and a signature. It is just about the lowest guttersnipe type of campaigning that could be done.

An hon. Member: What do you want?

Mr. Winch: I will give you just one reason.

Mr. Fleming (Eglinton): There was no photograph of the Prime Minister. The hon. member has not seen the document.

Mr. Winch: Have I not?

Mr. Fleming (Eglinton): Will the hon. member produce it?

Mr. Chevrier: Don't talk so much.

Mr. Fleming (Eglinton): I would ask the hon. member if he will produce it here. I refer to the photograph of the Prime Minister to which he has just referred. Will he produce it? I can tell him that the Prime Minister's photograph was not published.

Mr. Winch: Or his signature. I said "or signature".

Mr. Chevrier: The Minister of Finance is too sensitive.

Mr. Fleming (Eglinton): I am sensitive about misstatements.

Mr. Winch: I said "or signature" on a statute of the House of Commons and of the other place, and it must be of both. It is "An act for the recognition and protection of humany rights and fundamental freedoms", statutes of Canada, 1960, 8-9 Elizabeth II, chapter 44, assented to August 10, 1960. The Minister of Finance in the documents produced did not and to the best of my knowledge—I will put it in that way—cannot produce a statute of Canada issued by the queen's printer over the photograph or the—

Mr. Slogan: Will the hon. member permit a question?

Mr. Winch: —signature of the Prime Minister.

Mr. Slogan: You do not want a question, do you?

Mr. Winch: I say this is the question, not the way it has been presented to us now by the Minister of Finance. I say it is strictly politics; because if the Minister of Finance was not politicking he would have referred this house—

Mr. Slogan: On a point of order, Mr. Chairman—

Mr. Winch: —to the fight and the work of the late J. S. Woodsworth for a bill of rights for Canada.

The Chairman: Is the hon. member rising on a point of order?

Mr. Slogan: Yes, Mr. Chairman. My point of order is that the hon. member is trying to mislead the committee by suggesting that the Prime Minister signed the act, whereas on this illuminated copy of the bill of rights the Prime Minister's signature appears under a quotation and not under the act.

The Chairman: Order. I am afraid the hon. member is engaging in debate and not raising a point of order.

Mr. Winch: I do not quite understand why the hon. member rose, but because of the point he mentioned I am going to ask this question. Do hon. members think that in any publication of the statute we should have not only the statute but a quotation from *Hansard* and the document signed by the prime minister of a Conservative government or any other government?

An hon. Member: Is it signed in the statute book?

Mr. Winch: This is a most unusual procedure. I say this is not a matter of putting forward the principles of the bill of rights. It is strictly a campaign approach, and I say that it brings this House of Commons and the other place into disrespect that this kind of thing should be used for political purposes and should not be a matter of principle and of right acceptable to all parties and all people, as the Prime Minister told us it would be when he introduced the bill of rights.

I want to come back to what I was saying when I was interrupted. If this document has

been produced in the form it has been because of the great principles embodied in the bill of rights, I say it is very peculiar that the Minister of Finance did not see fit to go beyond stating that this was a matter which had been deep in the heart of the present Prime Minister ever since he entered the House of Commons as a member of the opposition and mention also that over 30 years ago Rev. J. S. Woodsworth fought for a bill of rights from the very day he entered this house, and so did M. J. Coldwell, who is no longer with us. Neither the Liberals nor the Tories would accept a bill of rights when it was demanded over 30 years ago, but we are very happy that finally they did repent.

Mr. Drysdale: You mean the Liberals.

Mr. Winch: My only regret is that the bill of rights now on the statute books of Canada is being used for political purposes and not as a statute of principles. I also regret that it was not made an irrevocable part of the constitution of Canada, the British North America Act, whether that act remains a statute of the British parliament or whether our constitution is brought home to Canada where it belongs. The bill of rights is something that should mean a great deal to all citizens, and it should not be used for political expediency by a government that does not know how to be elected except by using misleading propaganda and misusing a statute of the people of Canada.

Mr. Rapp: Mr. Chairman, much has been made of this signature on the bill of rights, but what I am proud of and pleased about is that this name of Diefenbaker is not only on the bill of rights but is inscribed in the hearts of the members of every ethnic group in Canada.

Mr. Browne (Vancouver-Kingsway): Mr. Chairman, I just want to say this. When we hear the hon. member for Vancouver East stand up here and talk about the rights of people, after his party used a technical procedure of the house yesterday to deprive individuals of rights that they are guaranteed under the laws of this country, I do not think it goes down very well.

Mr. Peters: Mr. Chairman—

The Chairman: Order. The hon. member's remarks were out of order and irrelevant to the debate.

Mr. Winch: Mr. Chairman, would you ask the hon. member to retract his remarks? He made the statement that we have misused the procedures of parliament.

An hon. Member: You certainly did.

Mr. Winch: We abide by the procedures of parliament at all times and exercise our rights as laid down by a democratic parliamentary institution. If hon. members on the government side do not believe in that, that is their business, not ours.

Mr. Drysdale: *Hansard* speaks for itself. Mr. Chairman, I do not want to delay the committee too much, and I am going to turn from this matter which is relatively controversial. I would ask the Minister of Finance to draw the attention of the queen's printer to the importance of expediting the printing of the statutes of Canada. I have checked on this matter and in the past it has sometimes taken four, five or six months or perhaps a little longer before the statutes of Canada have been printed. Since there is a great deal of reliance placed on them by lawyers and judges throughout Canada, I think it is particularly important that they be printed as soon as possible.

There is one other relatively non-controversial matter I should like to raise and which I think comes under publications issued by the queen's printer. I refer to the *Hansard* free list, under which *Hansard* is circulated to the various provinces and to provincial libraries. Perhaps consideration could be given at the next session to seeing that at least one copy is airmailed to each provincial government. I have had requests from some of the British Columbia provincial members that this be done, and I think it would perhaps have the additional value of raising the standard of debate in the provincial legislatures.

Mr. Fleming (Eglinton): Mr. Chairman, we will all agree as to the desirability of the earliest possible publication in bound form of the annual statutes enacted by parliament. It is desirable in the public interest, and I think it is a matter of general satisfaction that so far as 1961 is concerned there was a very great improvement in this respect. Although parliament sat until the end of September the bound volumes were available in both English and French early in December, and I think this must be a record having regard to the very ample size of that volume. I am told that the bound volumes were available two months earlier than has been customary in other years.

Mr. Peters: Mr. Chairman, I had not intended to say much on this item until the neo-fascist member for Vancouver-Kingsway rose in his place.

Mr. Fleming (Eglinton): On a question of privilege Mr. Chairman, this is a slur cast upon a member of the house, and it is a plain breach of the rules of the house. No member can call another member by an offensive name of that kind without defiance of the rules

and I ask you, Mr. Chairman, to require the hon. member to withdraw that most unparliamentary and offensive term.

Mr. Peters: If it is unparliamentary I will withdraw it. I will refer to him only as one who uses fascist tactics.

Mr. Fleming (Eglinton): That expression is no better. It is equally an offence against the rules of parliament to say that an hon. member uses fascist tactics.

Mr. Peters: I would be prepared to defend the word "fascist" as being a parliamentary term.

Mr. Fleming (Eglinton): It cannot be applied to an hon. member of the house. It is quite clear that it is unparliamentary and I ask you, sir, to require the hon. member to withdraw it.

The Chairman: To my mind the term is unparliamentary, and I am sure the hon. member would not want to persist in using it.

Mr. Peters: I think the tactics are such, but I will be pleased to withdraw it if it offends the Chair.

We were discussing the printing of the bill of rights the other night, and I believe the minister failed to mention something that should be mentioned in this regard. I believe all Canadians are pleased that this particular document has been put out and that there is a bill of rights, although we all know the act does not go far enough. We also know that by putting in this signed statement from *Hansard* a complete false impression is being given. If this statement from *Hansard* had been separated from the extract from the bill there would be some justification for it.

I believe that Canadian students across the country are going to be more interested in this than anyone else. However, the document does not contain the whole of the bill of rights. The bill of rights has two parts, and it might be of interest to hon. members to know what the other part of the bill of rights says because it might have some bearing upon whether or not the statement by the Prime Minister is applicable. Section 5 (2) of part II reads as follows:

> The expression "law of Canada" in part I means an act of the parliament of Canada enacted before or after the coming into force of this act, any order, rule or regulation thereunder, and any law in force in Canada or in any part of Canada at the commencement of this act that is subject to be repealed, abolished, or altered by the parliament of Canada.

Obviously this section gives to the parliament of Canada responsibility for the administration of this act, not the prime minister of the country. The third paragraph of section 5 reads:

> The provisions of part I shall be construed as extending only to matters coming within the legislative authority of the parliament of Canada.

The following section refers to the War Measures Act, and the remainder of the act occupies almost as much space as the printed document to which I referred. At the end of the act we find the words "The Queen's Printer and Controller of Stationery, Ottawa, 1960." This act, as contained in the statute books, is not signed by the Prime Minister. The Minister of Finance, I was surprised to hear, said this was a very good piece of literature to be distributed by the queen's printer because it cost 30 cents and sold for $1. Well, sin pays too, but we do not necessarily sell it merely because one can make a profit on it. I do not think this is a reason for having this document printed and sent out. I feel that the complete bill of rights should be sent to the children of this country simply because we want them to learn what is contained in the bill of rights, and what protection is afforded by it.

It would have been far better, therefore, if the Prime Minister had the whole act printed. Perhaps this would have stimulated a desire on the part of the children to extend the bill of rights and make it constitutional rather than the statutory type of act which it is now. This is not a constitutional document and is not in the same category as the bill of rights of the United States. I believe this document is being misinterpreted when it is published in this manner. This scorn should not be heaped on the opposition because we want to be more factual—

Mr. Drysdale: That will be a change.

Mr. Fleming (Eglinton): Will the hon. member permit a question?

Mr. Peters: Certainly.

Mr. Fleming (Eglinton): Is he not aware that it is the first part of the statute that is known as the bill of rights, and is so described in the statute itself?

Mr. Peters: Chapter 44 starts out with the preamble to which we have already referred. Part I is the bill of rights, and part II has no designation at all, it is just headed "Part II".

Mr. Bell (Carleton): What is the last section, at the end?

Mr. Peters: Section 4 reads:

> The provisions of this part shall be known as the Canadian Bill of Rights.

Some hon. Members: Oh, oh.

Mr. Peters: Here are these lawyers arguing about something that is really not correct. I grant that the short title for this part I is "The Canadian Bill of Rights", but part II is not separated in any way from part I. I suppose there is a technicality here, but I am not a lawyer. Both hon. members who are questioning this are lawyers. Would they consider this to be a legal document? Could a layman look at this and say "This is my bill of rights and I am going to take this document into court with me"? This document cannot be presented in court. Is this not true? I ask the Minister of Finance, who is a qualified lawyer, if this document has any legal status in court?

Mr. Drysdale: Who said it had?

Mr. Peters: Nobody said it had; I am just asking the question.

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

Mr. Peters: Is anyone going to say that I can take this document into court and present it as the bill of rights? If I took this into court, I would be thrown out.

Mr. Drysdale: True.

Mr. Peters: It only becomes propaganda, therefore, and it is this to which we are objecting. If the complete act had been printed it would have covered only one more column in this illuminated document and then I could take this document into court, even with the illumination. It is the propaganda aspect of the matter to which we are objecting.

Mr. Drysdale: I should like to speak to the point raised by the hon. member. I suggest that even if the complete bill of rights were reprinted, as he has suggested, on a piece of paper it would still not be recognized by courts of law. He would have to produce the statutes of Canada in court, and they would be recognized. There has been a practice of reprinting excerpts of statutes, such as Magna Carta, but when you go into a court of law you rely on the complete statute. Nobody is being misled. There is a reference at the top to the statutes of Canada, and if the school children are as interested as the hon. member thinks, then it is quite easy for them to get a copy of the statute and read the whole thing.

Mr. Aiken: Mr. Chairman, I should like to say a few words on this particular subject because I think there is a basic principle involved here that has been completely overlooked, not only in this particular incident but in a lot of other incidents that have been occurring recently. The Prime Minister of this country is the head of a political party, and he always has been. When the opposition comes along and says that because the name of the Prime Minister is appended to a certain document it is therefore a political document, they are just quibbling and quibbling shamefully. I can assure hon. gentlemen that there are a good many people in this country—and in fact they will soon learn they are a majority of the people of this country—who regard the prime minister—our present Prime Minister—as the leader and head of this country. They believe that the Prime Minister and the office of prime minister deserve the respect of the people of this country.

I feel that this principle has been bypassed for the sake of political expediency and an effort has been made to bring down the Prime Minister of this country to a level to which he should not be brought down. The Minister of Finance gave many examples of this type of thing. It is absolutely impossible to say that this government is not run by political figures, because they are and we all know it.

There have been a good many examples of this sort of thing in the last two years. I refer to trying to drag down the head of this country, and the government in general as far as that goes, for political purposes in order to attempt to degrade this government and this country in the eyes of other people.

I say this is not the feeling of the people of Canada. The people of Canada want to respect, and they do respect, the Prime Minister of the country while he holds office. I think it will be shown very shortly that the present Prime Minister does hold the respect and confidence of the people as prime minister of this country. I think all the things that have been said in this debate have been directed at one thing only. The opposition say this is a political document. If there is any vestige of truth in that statement it is not one tenth the amount of political dragging down that has been carried out in regard to this particular issue.

We are all proud of the bill of rights. I have gone into schools and have been shown the bill of rights hanging up, with the Prime Minister's signature on it. It was held in more respect because there was a signature to it. There is a living person, the Prime Minister, attesting to this document; it is not just a cold statute of Canada. The people of this country know, as has already been said today, that this has been a project of the Prime Minister for a long time. I say there is nothing more than a political effort and a great deal of quibbling in this whole argument. I think it does not help the position of parliament to raise this matter in a political manner in an effort to discredit the Prime Minister.

Mr. McGee: Mr. Chairman, I want to say a very few words on this subject. To allege that the document the hon. member has on his desk is a political document is, in my view, the same as alleging that any reproduction of the Gettysburg address by Abraham Lincoln amounts to a political document in support of the Republican party in the country to the south.

Mr. Peters: Mr. Chairman, I agree with the hon. member for Parry Sound-Muskoka in everything he said. I think we all have respect for our Prime Minister as prime minister, and this has to be kept on a level where it is respect for the head of the country, no matter who the particular head may be. I think it is very difficult to keep this idea separated in Canada. We know this. We have to elect our prime minister, in our political set-up; therefore it becomes more and more difficult to make the separation.

I am very concerned about this matter of the Canadian Bill of Rights. When we went to school as children I am sure everybody in this country felt we should have something more, because of the fact that we were only a dominion to start with, to which we could tie our Canadian citizenship. For this reason I believe the hon. member will agree with me that regarding the Canadian Bill of Rights, while you can put in one corner the illumination that is already there, it should be in the form of illumination and the bill of rights itself should be complete so it may be the charter of Canadian citizenship, the rights of Canadians as Canadians. There is no objection to the fact that the present Prime Minister introduced this bill of rights, and we all give him credit for having been interested in it for a long time; but when we have the queen's printer printing it, it should be in terms of illumination rather than just a part of the document. This is my point.

(Translation):

Mr. Johnson: Mr. Chairman, I do not want to prolong the debate unduly but as a man of study I am interested in this discussion which reminds me of La Fontaine's fable "The plague-stricken animals" in which at one point the ass is denounced as having grazed a mouthful of grass. So, when I hear the opposition criticize what they call irregularities in the use of public funds and especially of the facilities offered by the queen's printer, I am reminded that our opponents instead of raising such points might do well to look into what happens within their own ranks when they are in power.

I will give but two examples. First, the Liberal members who are so scrupulous when they are in the opposition do not hesitate, as soon as they are in power, to use the government and all the facilities provided by the budget to make their own propaganda at the expense of the taxpayers.

I am going to give another example; it has to do with hospital insurance in the province of Quebec. Public announcements appear in the newspapers, at public expense.

The Chairman: I believe that the hon. member is getting far afield from the item which is before the house, and I shall ask him to keep his remarks within the scope of this item.

Mr. Johnson: Now to the second point, Mr. Chairman, I suggest to the supporters of the New Democratic party that they look up that publication of the Saskatchewan government, the Saskatchewan *News;* they will find in it propaganda in favour of the government now in office.

Item agreed to.

(Text):

DEPARTMENT OF TRANSPORT

Marine services—
Marine regulations including pilotage and marine reporting services—
748. Administration, operation and maintenance —to extend the purposes of vote 412, main estimates, 1961-62, to include the payment of expenses, including excepted expenses, incurred in respect of Canadian distressed seamen, $1.

Mr. Chevrier: Mr. Chairman, there are just one or two brief statements I should like to make in connection with this matter. In view of the fact that the parties to the dispute between the pilots and the shipping federation of Canada are now meeting, I will make my remarks as brief as possible.

I would like to make several points rapidly; first, the importance of settling this dispute as quickly as possible because of the damage it has caused and will cause to the Canadian economy if it is allowed to go on much longer; second, because of the inconvenience it is causing to the travelling public; and last but not least, the danger to the safety of navigation. This danger to navigation has been demonstrated by the ship *Eskimo* which got into difficulties a few miles outside the port of Montreal because it was navigating without a pilot, and also by the *Consuelo,* a British ship which tangled with an anchor in the port of Quebec; the anchor hooked up the cables telecommunication services and caused substantial damage.

It is also important that this strike be not allowed to go on because of the fact that navigation is opening on the St. Lawrence seaway; that is, upstream from Montreal. This opening has been announced for April 15. If settlement is not forthcoming by that

time, tremendous damage will ensue. In that area ships must have pilots. Pilotage is compulsory in accordance with section 375(b) of an amendment to the Canada Shipping Act, though much to my surprise yesterday, when I told the Minister of Transport that from St. Regis in the province of Quebec upstream there was an obligation on the part of shipping to have compulsory pilotage, his reply was that St. Regis was not on the St. Lawrence river. Of course, to anyone who knows the St. Lawrence there is no doubt that it is.

Then again, there is the reasonable suggestion which has been put forward from time to time that a public inquiry should be undertaken. Five grievances of the pilots have been submitted to the minister, two of which have already been granted. It seems to me that the remaining three points could be settled were an undertaking given by the ministry of transport that a public inquiry would be held to consider the whole subject of pilotage.

I appreciate that there are difficult problems which arise in the Department of Transport in connection with these matters. It has been my feeling all along that while under the Canada Shipping Act the pilots are subject to the jurisdiction of the Minister of Transport, when a dispute of this kind arises it might be determined not by the Minister of Transport but by the minister whose responsibility it is to deal with such matters, namely the Minister of Labour. I make that suggestion without the slightest reflection on the Minister of Transport. When I was in the Department of Transport I often wondered why it was that the Minister of Transport as the pilotage authority should have the responsibility for settling stoppages of this kind. I am wondering if the Canada Shipping Act should not be amended so that when there is a dispute of this kind, or when pilots holding meetings and the federation refusing to meet with them, the Minister of Labour should enter the picture.

I hope there will a settlement of the dispute, and I trust that the parties will agree to a public inquiry under the direction of the government so that all aspects of this pilotage question may be explored insofar as they concern the pilots, the ship owners and the ship operators. If this were done a great service would be rendered to an important branch of our economy.

Item agreed to.

Railway and steamship services—

752. Canadian National Railways deficit, 1961—amount required to provide for payment to the Canadian National Railway Company (hereinafter called the national company) upon applications approved by the Minister of Transport, made by the national company to the Minister of Finance, and to be applied by the national company in payment of the system deficit (certified by the auditors of the national company) arising in the calendar year 1961, subject to recovery therefrom of accountable advances made to the national company from the consolidated revenue fund, $68,172,716.

Mr. Chevrier: Here I think we should ask for some explanation from the minister. This concerns the deficit of the Canadian National Railways for the financial year, 1961, and which amounts to more than $68 million.

There are a number of questions which come to my mind in this connection. Yesterday we had an opportunity of discussing many of the matters which arise in connection with freight rates which normally would come under this item, and I do not intend to go into that subject again. However, there is a number of other questions which arise. First I think we should know how much has been paid by way of subsidies to the Canadian National Railways in respect of freight rates. This is a matter which was not discussed last evening. I think the minister should give the committee the total amount and then the breakdown. There is another important matter concerning the deficit—

Mr. Fleming (Eglinton): Would the hon. member prefer that I endeavour to answer his questions one at a time as he goes along?

Mr. Chevrier: No; I would rather go on, if I may. There is another matter, and that concerns the recapitalization of the Canadian National Railways. The C.N.R., as the committee knows, was originally a collection of a large number of bankrupt lines, and over the years the company has been obliged to carry on these lines at tremendous cost. Unfortunately it has not been possible, because of the tremendous capital costs involved and the deficitory operation of many of these lines, for the railway to show a profit except in some years. As we know, the railways in the United States, in the United Kingdom and, to some extent, on the continent are all in difficult circumstances because of competition. I am not going to enter into that aspect of the subject in order to keep away from a contentious field, but I think the minister should give us some indication of what the intentions of the government are with reference to these tremendous fixed charges borne by the C.N.R.

The former government, as the minister knows, brought legislation into the house which was a sequel to a recommendation made by the Turgeon commission. This legislation had to do with wiping out a number of fixed charges of the C.N.R. But because of the manner in which this is operated, and while the president of the C.N.R. has, I believe, no fault to find with the operation of the act, nevertheless, because of changed

conditions in the field of railways and railway operations, the fixed charges of the C.N.R. have been increasing over the years.

It seems to me there is one thing which the royal commission on transportation might well have done and which it did not do. There were terms of reference; and while I take it the royal commission on transportation had the responsibility of following the terms of reference, it did not do so. As was pointed out to us last night by the hon. member for Port Arthur, the royal commission on transportation decided of its own volition, notwithstanding a statement in the house by the Prime Minister, to look into certain aspects of the Crowsnest rates. It strikes me that the royal commission might well have gone into the circumstances surrounding the fact that the operation of the C.N.R. produces almost every year a tremendous deficit, whereas the Canadian Pacific Railway makes a profit. I do not wish to make an invidious comparison, but here is a field where I think the royal commission could have been of great assistance to the Canadian National Railways, to the government and to the country for that matter. If this had been done it strikes me the commission would have rendered a real service to the railways of Canada.

I come back to the question of recapitalization. Is it the intention of the government to give consideration to that in the future? Is it the intention of the government to introduce legislation to reduce the tremendous burden which the Canadian National Railways has to carry? If the government does not look with favour upon this suggestion which has been made from time to time, what is the alternative?

Although there are other matters I wish to discuss relative to this item I believe I have said sufficient for the moment, and I will stop here.

Mr. Fleming (Eglinton): The hon. member has raised two questions, Mr. Chairman. One relates to the share received by Canadian National Railways of the $50 million appropriation made by parliament last year and the second, broadly speaking, concerns the question of recapitalization of Canadian National Railways.

Mr. Chevrier: May I interrupt, Mr. Chairman. The minister dealt with the first point last night. I did not have that in mind. I had in mind the total amount of subsidies paid to Canadian National Railways by the government either for freight rates or other purposes. I now ask the minister whether he can give me the total, together with a breakdown.

[Mr. Chevrier.]

Mr. Fleming (Eglinton): The annual report of Canadian National Railways shows that in 1961 the system received the following subsidy payments: Freight Rates Reduction Act, $10.7 million; Maritime Freight Rates Act, $10 million; east-west bridge subsidy, $3.5 million interim payments—that is, out of the $50 million—$27.9 million; Newfoundland and Prince Edward Island steamship services, $14.6 million, for a total of $66.7 million.

On the question of recapitalization I can assure hon. members that this is a subject that is under very intensive study at the present time, and discussions between Canadian National Railways management and the government have been held for some time. This is something that will be submitted to parliament in due course.

The hon. member has drawn attention to the heavy burden of fixed charges borne by Canadian National Railways. Just to look at the figures for the last two years, in 1960 in its operating results Canadian National Railways showed net railway income available for fixed charges of $6,473,732. The total of fixed charges amounted to $69,088,803. For 1961 I give the corresponding figures. The net railway income available for fixed charges was $4,831,862. The total fixed charges amounted to $72,987,242. I should point out that with respect to the total fixed charges in each case, a sum of money was received from Trans-Canada Air Lines which had the effect of reducing the net fixed charges to these figures: for 1960: $61,023,045; for 1961, $62,475,910.

Mr. Chevrier: By the figures he has placed on the record the minister has certainly borne out the gravity of the situation. In 1960 the net railway income in round figures was $6.4 million with which to pay fixed charges, and the fixed charges amounted to more than $69 million. In 1961 the position was even worse. The net railway income in that year was $4.8 million and the fixed charges amounted to almost $73 million. The position has worsened in 1961 vis-à-vis fixed charges.

I do not wish the minister to rise and say that this is a matter of government policy and government decision which will be announced in due course. That is the customary declaration by ministers. In view of the gravity of the matter I feel the minister should pause for a moment to analyse, as I feel he could do in two or three minutes, the serious situation in which Canadian National Railways finds itself in relation to the other railway. I had thought that in answer to the points I raised the minister would comment on this matter. I am sure he and his officers have studied the problem. No doubt it has engaged the

attention of the officers of the Department of Finance, because here is one field wherein the expenditures could be substantially reduced if careful attention were given to the problem.

It seems to me that the recapitalization act of the C.N.R. provided for a study or re-examination of the facts after a certain number of years. I understand that time has expired. I think the Minister of Finance said in the house one day the matter was under consideration and that in due course a statement would be made to the house. I am now inviting the minister not to make a declaration of policy but to give some indication of the thinking of himself and his officers with respect to this serious problem.

Mr. Fleming (Eglinton): Mr. Chairman, I believe I can be brief in dealing with the gravity of the problem of fixed charges. I think the figures I have placed on record speak for themselves.

As to what may be the thinking of the government on this matter, I feel it would be altogether premature to attempt to outline any views on this question at this time. It is a subject which will come before the house at the proper time, because to take any steps with regard to this problem would necessarily involve legislation and that would be the time, after the discussions with Canadian National Railways have been concluded, to make the type of statement the hon. member has invited.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

The Chairman: Shall vote No. 752 carry?

Mr. Chevrier: I have just two short questions. The first one has to do with employment on the Canadian National Railways. It has been said, and I think authoritatively, by the Canadian Labour Congress and its affiliates that within the last five years there has been a diminution in the employment of railway workers across Canada of some 25,000 or 5,000 per year. Is the government contemplating any measure or has the government taken measures to deal with this problem? I am not thinking now of the budgetary aspects to which the minister could refer. I am thinking of direct assistance to those in the railways who have lost their employment. The former minister of transport and the present Minister of Transport to a lesser degree have said that men are not laid off the railways until it is absolutely necessary so to do—and that statement I believe—but that as soon as work increases these men will be given an opportunity to come back. That is perhaps a fact, but none the less it does not derogate from the situation that, according to the information I have, about 5,000 men a year have been laid off from the railways. I am wondering whether the government has anything in contemplation with respect to these men.

Mr. Fleming (Eglinton): It is a known fact that employment on the railways has been declining. Broadly speaking, I think there are two reasons for this fact. One is growing competition from other forms of transport and the other is growing automation on the railways themselves. The decline has been gradual and I believe the problem has been met by the railways, not by retirement on any material scale but simply by not recruiting new employees. If the situation called for any specific measures or if the government were proposing any new measures, they would, of course, be submitted to the house in the usual way.

Mr. Chevrier: The other question and the last one is this. I should like to get the views of the minister on amalgamation of the Canadian National Railways and the Canadian Pacific Railway. Is the minister in favour of amalgamation? Does the minister support the views of his colleague in the house, namely the hon. member for Stormont who in a debate in the house and then outside the house has declared himself to be in favour of the amalgamation of the Canadian National Railways and the Canadian Pacific Railway, notwithstanding the fact that in his own constituency of Stormont—there is a divisional point of the Canadian National Railways—which employs a number of men and which for them would mean loss of employment. I was wondering whether the Minister of Finance is in accord with the views of his colleague the hon. member for Stormont.

Mr. Fleming (Eglinton): I think the policy of the government is well known in this respect, Mr. Chairman. It is reflected in the existing fact and that fact is competition. The government believes that competition is a good thing.

Mr. Carter: I should like to take just one minute of the time of the committee to speak on this item. While we all deplore the deficit of the C.N.R. and all hope that the financial situation will improve during the coming year, I wish to say a word of commendation to Mr. Donald Gordon and the management of the Canadian National Railways for their decision to reduce the passenger fares within the maritime provinces. In making that statement I couple it with the hope that the reduction

in fares will not result in a deterioration in the quality of service which the railway proposes to offer. If we can maintain or even improve the service along with the reduced fares, I believe that will help materially to improve the revenue to the C.N.R. from passenger traffic by making it more competitive with other forms of transportation.

Item agreed to.

Pensions and other benefits—

753. Supplemental pension allowances to former employees of Newfoundland railways, steamships and telecommunication services transferred to Canadian National Railways—further amount required, $6,546.

Mr. Carter: I just wish to ask one question of the minister as to this group of employees. Are they the people who transferred from the Newfoundland railway in 1949 when Newfoundland became a part of Canada? Is this the particular group that had no contributory pension plan at all?

Mr. Fleming (Eglinton): These are the group to whom the hon. member refers and who were transferred at the time of confederation from the Newfoundland railways, steamships and telecommunications to Canadian National Railways on April 1, 1949. I am told that it is not correct to say they had no pension plan previously. However, the plan they had and the rights they had have been merged now under the general scheme of employees of the Canadian National Railways.

Mr. Carter: What I was trying to get at was whether this vote was to supplement their existing plan or whether it was to increase the pensions for those employees who had no contributory plan at all but who on retirement have received I think the nominal sum of about $30 a month.

Mr. Fleming (Eglinton): This provision which is being included in the supplementary estimate is designed to provide supplements for the pensions that would otherwise have been payable. It is an increase of $6,546 over the amount provided in the main estimates owing to a larger number of employees retiring during 1961 than was anticipated when the main estimates were prepared.

Item agreed to.

General—

754. Trans-Canada Air Lines deficit, 1961—amount required to provide for payment to Trans-Canada Air Lines (hereinafter called the company) upon applications approved by the Minister of Transport, made by the company to the Minister of Finance, and to be applied by the company in payment of the deficit (certified by the auditors of the company) arising in the calendar year 1961, subject to recovery therefrom of accountable advances made to the company from the consolidated revenue fund, $6,450,082.

[Mr. Carter.]

Mr. Chevrier: I shall try to be as brief as possible on this item, Mr. Chairman. However the minister gave me an entrée to discuss it when a moment ago on item No. 752 he said that the policy of the government is that of competition.

I take it he meant competition in the field of transportation generally as well as in the field of aviation. The minister will remember that it is this policy of competition in the field of aviation which is causing the industry such concern. I am sorry that the Minister of Transport is not in his seat at the moment because this is a matter which concerns him and more particularly his predecessor, the present Minister of Trade and Commerce, who is responsible for much of the chaos in the field of aviation.

When the members of the government were on this side of the house they seized every opportunity at their command to demand competition and when they got into office they certainly went further than they intended to go with respect to competition in the field of aviation. The first thing the government did was to ask a British expert, Mr. Wheatcroft, to make a report on air line competition in Canada. I hold his report in my hand and I would point out that in this excellent report Mr. Wheatcroft recommended against competition in certain fields. Notwithstanding that fact, the government decided to grant a transcontinental air service to Canadian Pacific Airlines. According to many experts in the field, that policy and other policies of the government which I will deal with in a moment are responsible for the item which we have before us today to provide $6½ million for the deficit of Trans-Canada Air Lines. In addition, Canadian Pacific Airlines had an equally high deficit in 1961 amounting to approximately $4 million.

The policy of the government has never been announced in the house for some reason or other, except piecemeal through an answer to a question or by a statement made by a minister outside the house, and to my mind this is very strange conduct on the part of the government. However, just prior to the election of 1958 the former minister of transport made a statement on aviation in which he said:

It is not intended to place T.C.A. or other Canadian air lines in competition with each other in the international field. International routes are set up by reciprocal agreement with other foreign countries, and provide rights for foreign air lines to operate over the same or equivalent routes. Therefore, plenty of competition already exists in the international field without the duplication which would result if Canadian air lines were made directly competitive over the same international routes.

That statement by the former minister of transport is quite clear, that there should be no competition between C.P.A. and T.C.A. on the international routes. But what did the government do? In the latter part of 1961 the government authorized Canadian Pacific Airlines to operate a route from Vancouver-Edmonton to London. This was not only in contradiction of Canada's own policy in the field of international aviation but also in contradiction of the bilateral air agreement between Canada and the United States. Although Canadian Pacific Airlines announced in October of 1961 that it was going to start the new service from Vancouver-Edmonton to London and advertised the fact that these flights to London would originate in Vancouver and Edmonton, the company has not yet obtained permission so to do.

I have put many questions to the present Minister of Transport but he has evaded them continually and repeatedly by stating that conversations are going on between Mr. Peter Thorneycroft, minister of aviation of the United Kingdom, and the minister's officials. To those of us who sit on this side of the house it seems strange, having regard to the fact that it was first stated by the government that there would be effective competition and then later that there would be no competition in the field of international aviation, that the government, having announced a competitive international route, is not able to obtain permission for C.P.A. to land in London.

When told in the house that the government was out to destroy Trans-Canada Air Lines, as I stated, the present minister replied that competition on this route would be negligible and would not affect the government owned air line.

That is not what the minister said in a speech at Vancouver on December 4, 1961. At that time he stated that because of competition in world aviation the best interests of T.C.A. and C.P.A. would not be served in competing with each other and that there should be co-operation between the two. So we have this anomalous position. First, according to the former minister of transport, there should be no competition between T.C.A. and C.P.A. in international fields. Next, the present Minister of Transport announced in the house a new service for C.P.A. in the international field on the run Vancouver-Edmonton-London. Then the present minister stated in the house that this would not in any way affect T.C.A. and that the competition would be negligible. Three months later competition on international routes has suddenly become serious and there should be greater co-operation between C.P.A. and T.C.A.

The question arises in the minds of those who are interested in the field of aviation, what is the policy of the government? Need I talk about the decontrol of class B aircraft announced by the former minister of transport which has caused such chaos among the small operators to the extent that there have been a large number of bankruptcies. Now it is being stated that it is the intention of the government, so the industry has been advised, to drop decontrol and put the situation back where it was before.

I think the government should make up its mind what its policy is going to be in the field of civil aviation. Is there going to be competition in the domestic services, is there going to be competition in the international services, or is the field going to be divided? I think the government should inform the members of the industry, who I know are totally and wholly dissatisfied with the manner in which the government has outlined its policy from time to time.

I just want to say one further word because I do not want to hold up these estimates unduly. It has to do with Quebecair. Last year and the year before Quebecair was in very difficult circumstances and asked for assistance. The Minister of Transport stated that the air transport board would consider the position. The board did so and made several recommendations to the government. I understand that five recommendations were made including (a) a subsidy, (b) an operations payment during the winter and (c) a joint winter operations payment and a subsidy, but that treasury board on each and every occasion turned them down.

I know, of course, that the Minister of Finance will deny this but it is common knowledge in Rimouski that the person who held up this matter was none other than the Minister of Finance himself. It was common knowledge when I was down there not so long ago that, notwithstanding the recommendations of the air transport board and the desire of his colleague, the Minister of Transport, that a subsidy should be granted, the Minister of Finance was the one who held it up and decided against it. The minister will be free to deny that statement if he wishes to do so.

Then there is the other point, that the Minister of Transport told Quebecair in unequivocal and clear language that the government had decided to give that corporation exclusive air routes on the north shore of the St. Lawrence and, by inference, to take them away from T.C.A. Of that there can be no doubt. The Minister of Transport went a step further and said that such an announcement would be made by the government at a future time. There is no doubt about that; that is known all over the trade and in Quebecair offices. It is known in the air transport and

industries association and it is known in Trans-Canada Air Lines. It is known from one end of the industry to the other that that statement was made.

What happened was that the Prime Minister asked that the matter be held over—this was in the press—until such time as he returned from his trip to Japan. The Prime Minister returned from Japan, but nothing was done, other than, I take it, the Minister of Transport was slapped down because Quebecair is still waiting for its assistance. I need not tell the Minister of Finance that Quebecair needs the assistance. Quebecair is now under new management, and has had a total reorganization of its capital structure. There are new people at the head of the corporation. I am sure that they can do an excellent job. I ask the minister to give serious consideration to the recommendations that I know have been made, (a) by the Minister of Transport to the government and (b) by the air transport board to the minister.

One other thing I should like to mention and it is this. Quebecair asked the government to assist it in taking over one of the larger aircraft it had purchased from Canadair. This aircraft had been purchased at great cost. It was impossible at the time, several months ago, for Quebecair to use this aircraft profitably. I am informed that, notwithstanding the representations of Quebecair to the government to assist them in taking over that plane, either by representations to Canadair—

Mr. Fleming (Eglinton): May I rise on a point of order? The point is that Quebecair is not a matter to be dealt with on the vote before us. We are not dealing generally with matters of licensing and we are not dealing with general civil aviation policy. We are dealing with Trans-Canada Air Lines.

Mr. Chevrier: On the point of order, may I say that this subject has everything to do with the item and I will tell the minister why. Trans-Canada Air Lines was asked to withdraw from this field on the north shore. That is known by everybody; and they refused to do so, notwithstanding the fact that the Minister of Transport had given his undertaking that Quebecair would get exclusive rights on the north shore. I am, therefore, four-square within this item.

Now then, continuing, I should like to say Quebecair had made representations that this large plane be taken back by Canadair or be used by the R.C.A.F. I am informed, rightly or wrongly, by those who live in the Rimouski area where I was, that notwithstanding the representations made to the government by the Minister of Transport, the Minister of National Defence stood up and said that under no consideration would he accept this second hand plane for the R.C.A.F. It was only after a full and complete consideration of the whole matter that I believe a final arrangement was arrived at. I thought I would put that on *Hansard*. I ask the minister to come to the assistance of this company which is trying to do a good job on the north shore of the Rimouski area of the province of Quebec. I hope that the Minister of Finance will convey to the Minister of Transport the statement I made, that he should not have intervened in the way he did with T.C.A. and he should not have made the statement that he did, namely that Quebecair be given exclusive rights in that field, until and unless it had received approval of the government of Canada.

Mr. Fleming (Eglinton): I can assure the hon. member at once that he is away out on his facts all the way through his speech. Let me begin with what he had to say about the deficit of Trans-Canada Air Lines. He has ascribed this to some aspect of competition and he complained about competition. Well, I would think the best authority on the reason for the Trans-Canada Air Lines deficit in the year 1961 would be the president of T.C.A. Here is what he said in his report, in explaining the deficit for 1961:

> This was a paradoxical period of air line operations in which record traffic volume was accompanied by the largest deficit in the company's history. A new domestic fare structure proved immensely popular and there was a heavy increase in passenger business. Simultaneously, however, passenger demand shifted so emphatically towards economy class service that there was a pronounced deteriorating effect on the company's average revenue realized per passenger mile, this declining from 6.25 cents in 1960 to 5.81 cents in 1961. While 44 per cent of the company's passenger traffic had been economy class in the previous year, and an increase to 69 per cent had been forecast, the actual figure rose to 79 per cent. This revolution in travelling habits more than offset the company's achievement of substantial economies as evidenced by a very satisfactory reduction in operating cost per available ton mile from 36.72 cents to 31.30 cents. Obviously, this discrepancy between revenues and expenses requires remedial action.
>
> This year's deficit amounted to $6,450,082.

Then the president goes on in his report to speak about the acquisition of new equipment, the cost of which of course is rising all the time. So, Mr. Chairman, the hon. member, in what he had to say about the reason for this deficit is completely at odds with the president of the T.C.A. himself.

Mr. Chevrier: Would the minister permit a question?

Mr. Fleming (Eglinton): I much prefer the reasoning advanced by the president of T.C.A.

Mr. Chevrier: Will the minister permit a question? Is the minister aware of the proceedings of the sessional committee on airlines and shipping, owned and operated by the government, at which evidence was given last year concerning the deficit of Trans-Canada Air Lines, in that competition was in large measure the answer?

Mr. Fleming (Eglinton): The committee has not sat during this session. I am giving the statement of the president of T.C.A. because he outlined in his report the reason for this record deficit in the operations of the company in 1961. It should not be thought, Mr. Chairman, that this was the only time that Trans-Canada Air Lines had a deficit. It had deficits, smaller of course, in 1937, 1938, 1939, 1946, 1947, 1948, 1949, 1950 and 1960. These deficits could hardly be ascribed to competition, so I think the hon. member is quite wrong in his conclusions on this subject.

Now, he goes on to use this item to discuss a question with regard to the licensing operations of the air transport board. This discussion, Mr. Chairman, is quite irrelevant to the subject with which we are dealing here, the operations of Trans-Canada Air Lines. Trans-Canada Air Lines is not the air transport board. The air transport board is given jurisdiction by this parliament in respect of licensing of air carriers. I suggest, therefore, that the subject be properly deferred to an occasion when it will be in order.

Now, the hon. member makes a strong plea for Quebecair. He has made what I think was about as strong a case of special pleading for a particular, privately owned company as I have ever heard in this house.

Mr. Chevrier: I am glad to hear that.

Mr. Fleming (Eglinton): I just question, Mr. Chairman, whether under these conditions any hon. member is justified in making so strong a plea on behalf of a particular private company. Let me make it very clear that what he had to say about this, and what he had to say about communications passing between ministers, about the opinions expressed by these ministers, is just a compound of gossip he has gathered. It is a lot of nonsensical speculation, most of which I do not believe I will dignify by any detailed statement. I think it was out of order, and I do not like to see the time of this house occupied in dealing with gossip and speculation.

Mr. Chevrier: Did you turn it down?

Mr. Fleming (Eglinton): Will the hon. member desist for one little moment in pursuing his gossip?

Mr. Chevrier: For two little moments.

Mr. Fleming (Eglinton): We are sent here, Mr. Chairman, to be responsible members and not to be old gossips. In this matter this particular company evidently overstretched itself in its operations—quite overstretched itself—and then comes the government asking for special assistance, at the expense of the treasury, to relieve it of some of the difficulties into which it has gotten itself.

Mr. Chairman, in this situation the concern of the government must be for the public interest and not for the interest of some particular private company. I can assure the committee that in its relationship to this situation and any action that may be taken at any time in regard to it, it is the public interest that will guide the government and not the interest of any particular private company.

Mr. Chevrier: Mr. Chairman, the minister did not answer my question.

Mr. Fleming (Eglinton): I do not intend to, in view of the gossip.

Mr. Chevrier: Is it a fact that the Minister of Finance is the one who held up at treasury board the recommendation made in favour of a subsidy to Quebecair?

Mr. Fleming (Eglinton): Mr. Chairman, this is just a sample of utter irresponsibility on the part of an hon. member. The hon. member knows perfectly well that what happens in treasury board is secret, and he as a privy councillor knows what is the oath of office. He has just invited one minister to break the oath of office in order to comment on this silly gossip in which he has been indulging and with which he has been larding up the record this afternoon. I do not intend to accept his invitation to indulge in gossip.

Mr. Chevrier: The minister has referred to gossip; he has referred to irresponsible statements. The statements were not irresponsible, and it is not gossip. Those are facts that are well known in aviation quarters, and I am not—

Mr. Fleming (Eglinton): They are not facts.

Mr. Chevrier: —going to embarrass the minister, as I well could, by putting statement on the record right now.

Mr. Fleming (Eglinton): You cannot embarrass me with the truth.

Mr. Chevrier: But I am going to send over to the minister a statement that is a complete denial of what he has said, and a complete confirmation of the statements I have made. I do not want to put them on the record and thereby embarrass others,

and more particularly the Minister of Transport. I asked for production of the documents; I was not able to get production of the documents. One of the documents was not even confidential; but months after they had been sent, they were made confidential. For that reason it is not possible for me to use them and I have no intention so to do, but I can tell the minister that the information upon which I have based the statements I have made is accurate.

Mr. Fleming (Eglinton): Mr. Chairman, I can tell the hon. member that he is misinformed. If he is purporting to say that he has statements that support the gossip which characterized his earlier statement, then I have to tell him that he is misinformed and his gossip is not the truth.

Mr. Chevrier: It is not gossip; it is fact.

Mr. Grafftey: Factual gossip.

Mr. Winch: Mr. Chairman, I will only be a couple of minutes. I am not at all interested in gossip or rumours of any kind. However, I would like to ask the minister this question. Having regard to the five years the present government has been in office, what is his policy approach to crown corporations such as Trans-Canada Air Lines when they are initiated in the public interest and have done a terriffic job on behalf of Canada?

I can only say from my own point of view that after following five years of this government's policies and operations it does appear to me that their general policy is, if it affects a crown corporation, crash or smash, because only in the five years this government has been in office have we even heard talk of hurting crown corporations and turning them over to private enterprise by sale or competition, whether it be Eldorado, Polymer, or instituting measures that hit very hard at initiating services such as the C.B.C. and now T.C.A.

This matter can be discussed under this item. I think we have to honour the initiation of T.C.A., the pioneering it did, the service which it rendered. When it comes to a major transportation policy and difficulties arise, this government, instead of assisting, brings in completely unnecessary competition against a crown corporation which did the pioneering and was financed by the people. When it reaches a stage of major development, the government exercises a competitive policy.

I will not go any further than that, sir. I would like to ask the minister whether he can give us just a straightforward statement as to government policy with regard to crown corporations such as T.C.A.; whether it is crash or smash, and why bring in competition at the expense of the Canadian people?

Mr. Fleming (Eglinton): Mr. Chairman, Trans-Canada Air Lines has received at the hands of this government the fairest and indeed most generous consideration. The company has been provided with what it required to keep itself equipped with aeroplanes of the latest design and manufacture; indeed, enormous sums have been provided and expended in the equipment of the company for all its operations.

The action of the air transport board in the licensing of Canadian Pacific Airlines for a transcontinental flight daily to connect with overseas operations I presume, was based on the board's view that the time had come when Trans-Canada Air Lines was so fully established and so strong that it could face a measure of modest competition. But on this subject I really see no profit in getting into some doctrinaire discussion. The hon. member, according to his views, favours state monopoly in these matters. Some of the other hon. members of this chamber take a different view. I think we are not likely to harmonize those views this afternoon on this supplementary estimate.

Mr. Browne (Vancouver-Kingsway): Mr. Chairman, I think I must rise after the statement made by the hon. member for Vancouver East, because in the province of British Columbia we have Canadian Pacific Airlines employing about 2,500 people; in fact, it provides one of the largest payrolls in the province of British Columbia. I rather gathered from the remarks of the hon. member for Vancouver East that he felt Trans-Canada Air Lines should have a complete monopoly in air transportation. I certainly could not support any such view.

In so far as pioneering is concerned, the polar route to Europe was pioneered by Canadian Pacific Airlines and they have provided a good deal of the service and a lot of jobs for people in British Columbia. They provide a large amount in taxes to the treasury of this country. Any suggestion that T.C.A. should have a complete monopoly certainly would not be supported by the people of my riding.

Mr. Winch: Mr. Chairman, I made no such suggestion. My reference was only to the competition brought in by this government in the past few years on nation-wide business, which the C.P.A. was never in until this government took office, and my hon. friend knows it.

Item agreed to.

The Chairman: Shall vote 729 carry?

Mr. Chevrier: What about 766?

Mr. Bell (Carleton): It was carried.

Mr. Chevrier: I had intended to say something on vote 766.

Mr. Bell (Carleton): We have passed it.

An hon. Member: We can revert to it.

The Chairman: The Chair is quite disposed to revert to vote 766.

Mr. Bell (Carleton): I would have no objection.

St. Lawrence seaway authority—

766. Loans to the St. Lawrence seaway authority in such manner and subject to such terms and conditions as the governor in council may approve —further amount required, $4,125,000.

Mr. Chevrier: I simply wanted to ask the parliamentary secretary if he is satisfied that this sum of $4,125,000 is properly required and is a proper vote, or expenditure, as far as the seaway authority is concerned. My only purpose in asking this question arises from the fact that the parliamentary secretary to the Minister of Finance had some qualms about these expenditures some time ago and I do not want him to think there is anything the matter with them now, since he is piloting these estimates.

Mr. Bell (Carleton): I have examined the financial statement involved here and I believe these are proper expenditures. The circumstances to which the hon. member for Laurier refers are somewhat different from those which now arise on this vote. They related to another part of the St. Lawrence seaway. On an earlier occasion the hon. gentleman and I had an interesting argument—it remains one of the interesting experiences I have had in the house. I had my opinions and he had his. I do not imagine he has changed his. I have not changed mine. However, I think this is not the occasion to revert to that difference.

Mr. Chevrier: I am delighted that the parliamentary secretary who is now piloting these estimates through the committee feels that this is a proper expenditure. Otherwise I am sure he would not recommend it.

There is another matter. I am glad the hon. member for Stormont is in his seat, or near his seat. The other day my hon. friend from Welland was discussing a certain matter and in the course of those remarks he stated that there was a great deal of unemployment in Cornwall. The hon. member for Stormont rose and said: "Ask your colleague the hon. member for Laurier, because he is the one who is responsible for putting the locks on the other side; he is the one who is responsible for all this unemployment."

I thought I would put on the record what the facts are in this connection, because the hon. member for Stormont has repeatedly made the statement in the house that with the locks going on the United States side there has been a great deal of unemployment in Cornwall. I have obtained figures which indicate what the total amount of employment in the Department of Transport or in the St. Lawrence seaway authority was in the constituency of Stormont from 1950 to 1962. These figures indicate that in 1950 there were 236 employees of the Department of Transport in Cornwall. In 1951 there were 185; in 1952, 229; in 1953, 195; in 1954, 267; and after the seaway got started in 1954 there were more employees in the Department of Transport and with the St. Lawrence seaway authority than prior thereto. I say this because the figures indicate that in 1955 there were 264 employees, in 1956, 258; in 1957, 316; in 1958, 309; in 1959, 293; in 1960, 334; in 1961, 252; and in 1962, 271. Thus, in so far as employment in the offices of the Department of Transport and the St. Lawrence seaway authority is concerned—

Mr. Campbell (Stormont): Has the hon. member included the head of the St. Lawrence seaway authority and the various executives, the counsel, the solicitors and the accountants? Is he comparing those with the working men and tradesmen formerly employed on the Cornwall canal, which is now virtually abandoned except for a half a dozen boats a year coming up to service one industry? If he wants to compare employment let him compare the Eisenhower and Snell locks.

Mr. Chevrier: I am comparing all the employees which were formerly with the Department of Transport in Stormont with all the employees which the St. Lawrence seaway authority has now in 1962. There are far more today than there were then. The reason is that the former Liberal administration had the good sense to establish the St. Lawrence seaway headquarters office in Cornwall, and that alone accounts for 150 of those employees.

I would ask permission to table the comparison of figures of those employed in the Department of Transport prior to the opening of the seaway.

Mr. Bell (Carleton): By whom were those figures prepared?

Mr. Chevrier: By the St. Lawrence seaway authority.

The Chairman: I understand that it is not customary to table documents at the committee stage. There could be an exception made if unanimous consent is given.

Mr. Bell (Carleton): I have no objection. Perhaps it could be agreed that when the Speaker resumes the chair he could ask permission formally.

The Chairman: That would be the idea.

Mr. Campbell (Stormont): I should like to have a look at those figures beforehand to substantiate them, especially as the hon. member is noted for his facility at suppressio veri and suggestio falsi.

Mr. Chevrier: There is another matter. The hon. member for Stormont has repeatedly stated that cessation of work after the completion of the St. Lawrence seaway has been responsible for the unemployment in the Cornwall area. I intend to disprove that by putting on the record the following figures. The St. Lawrence seaway authority was responsible for a good deal of employment during the construction of the seaway but nothing compared with what the hon. member had in mind. The seaway was started in July, 1954, or, at least, the administration was authorized to begin its operations then. However, no work was done in Cornwall in 1954 or 1955. In 1956 there were 180 men employed from Fraser point on lake St. Francis to the west end of Stormont county. In 1957, there were 513 men employed. In 1958, there were 635; in 1959, 457 and in 1960, when the work was completed, there were 258. This clearly indicates that if the seaway was placed on the other side of the line, that was not responsible for unemployment which followed after the discontinuance of the seaway work. What actually happened was that during the period since 1957 when this government took office—and I do not say this in order to enter into a contentious aspect of this matter—three cotton textile mills closed down.

Mr. Campbell (Stormont): May I ask the the hon. gentleman a question?

Mr. Chevrier: After I am through. These mills were responsible for the employment of 2,500 people and there are today according to the statistics which I have been able to obtain from the Cornwall *Standard-Freeholder,* of March 23, 1962, 4,294 people seeking employment. Then again it is clear, as I have said on another occasion, that shipping on the Cornwall canal was small in the year prior to the construction of the seaway as compared with the shipping in other ports. As a matter of fact it increased after the opening of the seaway; so if there has been an increase in employment in that area it is not due (a) to a diminution of the number of employees in the Department of Transport or (b) the St. Lawrence seaway authority, or (c) to the fact that the canal is on the other side of the line. It is certainly not due to the fact that those employees on the canal ceased to work, because there were a small number employed there compared with the 4,258 people who are now out of employment.

[The Chairman.]

Mr. Campbell (Stormont): Mr. Chairman, the hon. member knows that every effort made by this government to assist the textile industry in providing tariff assistance was consistently, persistently and bitterly fought and opposed by the hon. member's own colleagues, and the most recent episode is that of the Senate turning down the class or kind legislation. The hon. gentleman also knows that the textile industry is now in a better condition than it has been for the past 20 years.

Mr. Chevrier: In Cornwall?

Mr. Campbell (Stormont): No, not in Cornwall, because due to the neglect of the previous government the situation there was already too far gone to revive. In the same year that Cornwall Cottons declined Dominion Textiles made one of the highest profits it made for many years.

As far as the Cornwall seaway is concerned, the people of Cornwall know that it was locating the locks on the United States side that ruined Cornwall. Just ask the people of Cornwall about this. I suggest they will have an opportunity to give their answer very shortly and their answer will be found by the hon. member to be very pointed indeed. I would be delighted if the hon. gentleman were to come to Cornwall and oppose me in the constituency of Stormont. I would be delighted indeed if he were to do so.

An hon. Member: He is afraid.

Mr. Campbell (Stormont): Of course he is.

Mr. Chevrier: Afraid of an oddball?

Mr. Campbell (Stormont): Does the hon. gentleman think that the Eisenhower and Snell locks on the United States side run themselves and that no one is employed on them? If they were located on the Canadian side in Cornwall they would certainly provide employment in that area.

I have several times contended—and I contend here and now—that the hon. member by his actions and by his neglect of the interests of this country and his former constituency—his former home town—has made it impossible for there ever to be an all Canadian seaway in Canada. I say that for this reason. As we know the volume of traffic in the St. Lawrence seaway has been extremely disappointing but if for any reason it should ever increase perceptibly so that it becomes a threat to the New York port authority, you can be assured that all the vested interests centred in the New York port authority, the

financial and railway interests there, will insist that the Welland canal be bypassed by enlarging the Erie canal system so that not only will Cornwall be left high and dry as it now is—after Cornwall had been on the Cornwall canal for 120 years—but the whole St. Lawrence seaway including the port of Montreal will be bypassed by the new Erie canal. The new canal will bypass the Welland canal instead of twinning it, and traffic will be directed from the upper lakes and the interior of this continent down to New York with the result that the entire St. Lawrence system plus, to a degree, Halifax and Saint John will be bypassed.

Some hon. Members: Shame.

Mr. Campbell (Stormont): There was only one occasion on which we could have assured there being an all-Canadian seaway and that was at the time of the original construction when the hon. gentleman sold out to the United States. One of the most monumental blunders in the history of Canada was the error made by the hon. gentleman in relation to the failure to twin the Welland canal which was already reaching full capacity. It was as elementary a fallacy as to endeavour to increase the size of a bottle without increasing the neck.

These are the two fundamental errors the responsibility for which my predecessor, despite his canniness, evasiveness and agility with words has never been able to completely evade, and he has not convinced the people of Stormont. If he thinks he has, let me tell the hon. gentleman that the proof will be in the pudding and the opportunity to taste the pudding may come very shortly indeed.

Mr. Chevrier: Mr. Chairman, one word in relation to what was said by the hon. member. Not a word was said by him in connection with the statements I have made, which are a complete answer—

Mr. Campbell (Stormont): I must examine those figures before commenting on them and learn the source of them.

Mr. Chevrier: —which are a complete answer to the charges he has made in this house for the last five years.

May I point out that the hon. gentleman commenced his speech by saying he wished to ask me a question; but he forgot all about the question because he started ranting about everything under the sun. I simply wish to conclude my remarks by saying that no member from the constituency of Stormont since that constituency has existed has done more harm to his constituency than the present hon. member for Stormont.

Mr. Campbell (Stormont): Will the hon. member not agree that he sold out the interests of that constituency to the United States?

Mr. Chevrier: I say that for the following reasons, Mr. Chairman. The hon. gentleman has said repeatedly that there are no pilots in the constituency when in fact there are at least 35 of them. He has said repeatedly there should be an amalgamation—

Mr. Campbell (Stormont): On a point of order, Mr. Chairman; what I said was that there were in the Cornwall area no native born pilots, no people born in Cornwall. There are pilots there who have simply moved in and located there overnight.

The Chairman: Order. That is a question of debate.

Mr. Chevrier: The hon. gentleman has repeatedly said there should be an amalgamation of the C.N.R. and C.P.R. employees, thus putting out of work a large number of people in the Cornwall area which is a divisional centre of the C.N.R.

Mr. Campbell (Stormont): How many people are employed on the C.N.R. in Cornwall?

Mr. Chevrier: Furthermore, Mr. Chairman, on more than one occasion the hon. gentleman has said that a great deal of harm was constituted by the fact that Cornwall was not a seaway city. The other day the mayor of Cornwall celebrated the fact that Cornwall is now a seaway city. Notwithstanding the fact that the mayor of Cornwall and the industrial development corporation of Cornwall have repeatedly stated that Cornwall is a seaway city, the hon. member for Stormont insists that Cornwall is not on the seaway but is on high and dry land.

The hon. gentleman has emphatically stated and repeated that I am the one who is responsible for having effected the situation which exists today and he complains of there being no 27-foot facilities opposite Cornwall. The hon. gentleman does not know the facts. In point of fact, 27-foot facilities exist over a distance of three miles from Grace creek right up to the head of the locks at Cornwall. The hon. gentleman does not know that. As the member of parliament for the constituency of Stormont he should acquaint himself with at least the elementary situation obtaining in that area and cease to chase industry away; but no, notwithstanding the fact that the people of Cornwall are clamouring for industry to locate in that area the hon. member for Stormont insists on stating publicly that the seaway is on the other side of the line which in effect is tantamount to telling industry not to come to Cornwall because

there are no deep water facilities. Let me emphasize that the facilities are all there. If the hon. member for Stormont will only cooperate with the mayor of the city, the city council and the Cornwall industrial development corporation, industry will come to Cornwall.

Mr. Campbell (Stormont): Mr. Chairman, if there are facilities in Cornwall it is because of the fact that this government has spent over half a million dollars creating a port, which was done at the instigation of the present hon. member for Stormont. These 27-foot facilities now exist to intercept traffic before it goes south into the United States and to direct it back to Canada from the United States after proceeding through the Eisenhower and Snell locks. If there are facilities in Cornwall it is because of the efforts of the present hon. member for Stormont in persuading this government to attempt to retrieve some portion of the traffic we formerly had.

Furthermore, if my predecessor from this constituency produced so much benefit for Stormont, why did he abandon it, like a shepherd leaving his flock at the mercy of the wolves? The hon. gentleman abandoned that constituency. If he feels he did not abandon it I would be delighted if he were to return and oppose me in that constituency.

Mr. Chevrier: I would certainly fix you if I ever came back.

Mr. Campbell (Stormont): Come back. I urge the hon. gentleman to come back. If the hon. member requires proof of my statements I urge him to take advantage of the opportunity of returning to that constituency as my opponent.

Mr. Fisher: Mr. Chairman—

Some hon. Members: Carried.

Mr. Fisher: If you want to get through you will have to let me ask one question.

Mr. Campbell (Stormont): A refugee from the seaway.

Some hon. Members: Carried.

Mr. Fisher: I thank hon. gentlemen for the prompting. I wish to ask one question. Is the government aware that the United States corps of engineers has received a substantial grant from congress this year in order to carry out immediate study and planning for a United States canal that will save United States traffic going through the Welland canal? If so, what effect does the government think such a project, if proceeded with, will have on the prospects of the Welland canal and the adjacent area?

[Mr. Chevrier.]

Mr. Bell (Carleton): Mr. Chairman, the government is well aware of that to which the hon. member has referred. The St. Lawrence seaway authority is embarking on studies in respect of the twinning of the locks but to endeavour to forecast at this time just what the outcome might be of any action such as has been suggested would, I think, be speculating more than I would like at this stage.

Mr. Fisher: The point about which I wish to find out is whether the government is prepared to move very quickly if the United States engineers come up with a recommendation that would lead to a unilateral move on the part of the United States for a canal completely within the United States; that is to say one could foresee where this might take no notice of the St. Lawrence seaway authority at all. It is for that reason that I think we would all have considerable concern and would appreciate something a little bit more definitive about the position of the Canadian government.

Mr. Bell (Carleton): I think the hon. member is well aware of the rapidity with which the government is prepared to move at all times. However, in respect of this particular matter I should not like to speculate as to what the situation might be after some hypothetical action on the part of the United States government.

Item agreed to.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

Water resources branch—

729. Administration, operation and maintenance—further amount required, $50,000.

Mr. Martin (Essex East): Under this item I think it is in the national interest that we should come back to a matter of great importance, and one that has to do with a fundamental difference between an important official of the government of Canada and the government itself. It is a difference which, in principle, is not unlike the difference that arose and shook the foundations of government in Canada last summer in the dispute between the governor of the Bank of Canada and the Minister of Finance.

Mr. Bell (Carleton): They are as different as are day and night.

Mr. Martin (Essex East): I refer, of course, to the serious charge made by one of Canada's most distinguished sons. I refer to General McNaughton who said that the Columbia river treaty represented a sell out on the part of those who negotiated that treaty for Canada.

Mr. Bell (Carleton): Does the hon. member believe that?

Mr. Martin (Essex East): That is not the question. Whether I believe it or not is not the question.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): What I am saying is that a distinguished Canadian who has spent the greatest part of his life in the public service of this country has said that Canada was sold out by those who negotiated that treaty.

Mr. Bell (Carleton): If the hon. gentleman does not believe this, why does he repeat it?

Mr. Martin (Essex East): That charge having been made, it should have come to parliament through the proper procedure for assessment as to validity. General McNaughton asked that his charge be aired before a parliamentary committee of this House of Commons where we would have had an opportunity of examining him as to the nature of the indictment and where we would have had at the same time an opportunity of hearing from the ministers responsible, and the officials in order to determine the validity of this charge. Notwithstanding the requests made by the Leader of the Opposition and by other hon. members in this house, including the hon. member for Kootenay West, this government has delayed the opportunity of our discussing this matter in the way in which the matter is now about to be discussed.

This is not, of course, a new procedure for this government. It will be recalled that for many months we sought to bring before a committee of the House of Commons the former governor of the Bank of Canada so that that unfortunate dispute—bludgeoned by the action of the Minister of Finance—between that official and himself, could properly have been assessed by a committee of this house.

An hon. Member: That is an old song.

Mr. Martin (Essex East): Notwithstanding the reluctance of the Minister of Finance to have the report of the governor of the Bank of Canada discussed by the banking and commerce committee and notwithstanding the reluctance of the government to allow the governor to come before that committee and discuss that report, we know that the governor was able to state his case in the other place before a committee of the non-elected members of this parliament.

Mr. Bell (Carleton): And a poor case it was.

Mr. Martin (Essex East): As a result of the disclosures made this government, if it had confronted the Canadian people, would certainly not be sitting on the treasury benches today, as everywhere throughout this country—

An hon. Member: That is what you think.

Mr. Martin (Essex East): —there was disquietude, dissatisfaction and disgust—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —with the way in which the Minister of Finance had sought to prosecute the dispute between himself and the governor of the Bank of Canada.

Mr. Bell (Carleton): That is not accurate.

Mr. Martin (Essex East): That dispute is now a matter of record. However, it will be recalled in the days and weeks to come. It will be discussed on the hustings, in the general elections about which we are soon to have an announcement. Let no one make any mistake about this. The people of Canada will indict this government for what they did and the manner in which they dealt with the Coyne affair. We now have a second Coyne affair which arises out of the charges made by General McNaughton.

An hon. Member: Another Liberal.

Mr. Martin (Essex East): My hon. friend says he is a Liberal. Surely that is not an offence in this country. Since when was it an offence? Let me tell my hon. friend that General McNaughton was a distinguished soldier in the first world war and was commander of the Canadian forces in the second world war. He was appointed to his first responsible office under the government of Canada when he was made chairman of the national research council by the government of which Right Hon. R. B. Bennett was prime minister. It was a Conservative appointment. He began his public service as an appointee of a Conservative government. From that time on he has rendered distinguished service to his country. No one can take that away from this distinguished Canadian. He has asked that he be allowed to come before a committee of this House of Commons so that he can make these serious charges. The Minister of Finance is not in his seat at the moment. This important matter is apparently being conducted now by the parliamentary secretary to the Minister of Finance, although the Secretary of State for External Affairs apparently is now here holding a watching brief, whatever that may or may not be. The fact is that General McNaughton has made a serious charge. That charge should be heard. As he is not a member of this house, he

cannot speak in this House of Commons. Consequently, he should be afforded the opportunity of going before a parliamentary committee.

If there was ever any doubt about the justifications for his request to have this matter placed before a parliamentary committee, we now have in justification a statement made by no less a person than the Minister of Justice who, according to a Canadian Press dispatch in this morning's paper is quoted as having said the following at Hanna, Alberta. I quote from a report of the Canadian Press which appears in this morning's Montreal *Gazette*, page 4.

> Canada would have been better off with a Columbia river treaty drawn according to General A. G. L. McNaughton's wishes, Justice Minister Davie Fulton said here.
>
> Mr. Fulton said in an interview that it was not possible to draw the treaty in the manner Gen. McNaughton desired without treading on British Columbia's toes.

If General McNaughton had said nothing, this statement of the Minister of Justice would have been ample justification for our discussing this important matter. But coming on the heel of, or right after, or within a few days of the indictment levelled against this government by General McNaughton, this statement of the Minister of Justice now offers strong supporting justification for our request that a committee, namely the committee on external affairs, be set up forthwith—tonight, if necessary—so that there may be no delay in the government's plans with regard to dissolution. We can sit all day tomorrow; we can sit all night tonight, and determine whether or not there is validity in the indictment made against this treaty and against this government by General McNaughton. If the government refuses the request I am making today in support of that made by General McNaughton, then let the government stand in proper perspective in relation to the bill of rights about which the Minister of Finance spoke so vigorously two or three hours ago in this house.

Mr. Bell (Carleton): And so eloquently.

Mr. Martin (Essex East): General McNaughton has made a charge. Under our bill of rights he should be given the opportunity of presenting his case before the highest court in the land, this parliament, through one of its committees. To deny General McNaughton that right on the eve of the dissolution of parliament will be an admission by this government that the charges made by General McNaughton and now supported by the Minister of Justice are justified.

The issue before us now is a simple one. It is not the merits of the treaty. It is the right of one who was in a position to know. It is a question of examining the charges he has made with regard to the way in which the treaty was negotiated, a treaty which he says is not only contrary to our interests but with regard to which he says the Canadian people have been sold out by the government. In the face of these charges, serious charges supported by the Minister of Justice, this government will stand in contempt of parliament, in contempt of the Canadian people, if it denies the request I am making, that the external affairs committee be set up now. Set it up at six o'clock and we will sit throughout the hours to determine the validity of the serious charges made.

Mr. Herridge: Mr. Chairman, I rise on behalf of this party to support the request made by the hon. member for Essex East. I think he outlined very eloquently and properly General McNaughton's services to this nation, his contributions and his stature. He indicated that General McNaughton's first interest is to protect the interests of Canadian people and not go along with people in the United States because it is easier on occasions.

As far as the Columbia is concerned, Canada has come off second best for the second time in Canadian history. In 1846 the government of Great Britain signed the Oregon treaty and in return for the surrender of the land south of the 49th parallel and west of the Columbia river British subjects were guaranteed free access and navigation to the sea along the Columbia river in perpetuity under article 2 of the treaty. Many years later that treaty was followed by the building of dams by the United States government on the Columbia river. I do not blame the United States government but there was not a single protest from any agency of this government. I have had the record checked and not even the water resources branch was sufficiently alert to the position to warn the government that this was happening.

The former secretary of state for external affairs and present Leader of the Opposition had the records of the government searched at that time.

Mr. Green: That was under the former government.

Mr. Herridge: I am trying to be quite fair. That is quite right; it was under the former government. I think it was a great omission that Canada's interests were not protected because I have talked to officials of various United States agencies who were amazed that we permitted these dams to be built without any protest in view of the impediment to navigation, the fact that there was no longer

access to the sea from the upper Columbia, the damage to our fishing interests and so on.

Now we come to this second occasion, the Columbia river treaty. General McNaughton has rendered great service to Canada and I am not going to repeat the many things that were said by the hon. member for Essex East. I was very disappointed, as I think many members of the house were, by the treatment of this gentleman who has given such great service to Canada in the first and second world wars. In fact, he was serving Canada before some of the advisers were born. The announcement of his retirement was through a short and, I thought, very inadequate press release. I must bring it to the attention of the committee that a goodly number of lesser lights have had their retirements mentioned by way of announcement in this house. Personally I thought this was a rather shabby procedure on the retirement of a person who had rendered such great service to Canada. Mind you, that is not the attitude of the Canadian people or the Canadian press. I am already in receipt of sufficient telegrams and correspondence to realize what large sections of the Canadian people think of General McNaughton. However, to clinch that and to save time I am simply going to quote an editorial that appeared in the Vancouver *Sun* of December 18, 1959 under the heading "All Honour to Andy". It reads as follows:

General Andrew McNaughton has the stuff that makes great Canadians. He deserves official recognition for his outstanding victory in getting Canada a fair share of Columbia river downstream benefits. This feat will stand as a great achievement in the history of Canadian international bargaining. And as a landmark in Canadian economic development. It sets a precedent for future Canada-U.S. water control issues.

General McNaughton endured much uninformed and unfair political criticism on both sides of the border. But he knew his objective. He ignored all the irrelevancies. He developed a long-headed strategy. He stuck to it, to Canada's lasting benefit.

It is true he started from a position of strength. But he succeeded in making the other side recognize reasonably quickly that it had lost the battle. That avoided needless economic bloodshed by averting prolonged delay in coming to terms.

The five year climactic struggle began from what McNaughton described as a U.S. position of contending "with all the forces at its disposal" that Canada wasn't entitled to anything from the U.S. for controlling the Columbia. McNaughton was privately determined Canada would get 50 per cent of all the U.S. power gained. And get it in value holding electricity, not inflation vulnerable dollars.

His masterstroke was to refuse to truckle in any way to U.S. arrogance.

That is a very different attitude to some people I could mention.

He proposed diverting extra Columbia waters into the all-Canadian Fraser, thus depriving the U.S. of all benefits from Canadian control. He had international precedent. But the Americans thought he was bluffing. Then he ordered engineering studies of this gargantuan scheme. That might have been a big bluff. But the U.S. either overlooked it or couldn't nerve itself to call it.

Forces which preserve the Fraser for salmon could have blocked McNaughton's hydro scheme just as they've blocked all other hydro prospects there. A threat from late 1957 that Wenner-Gren development of the Peace river might jeopardize developing of the Canadian Columbia probably helped the Americans to see things General McNaughton's way sooner than they might have. But it can't account for the bonus he won in the settlement. Not only does Canada get 50 per cent of extra U.S. power, but the percentage is calculated on the gross increase, not the smaller net. And in 35 to 50 years Canada can still divert Columbia waters into the Fraser if that still makes hydroelectric sense.

I read that editorial because I think it outlines clearly what Canada owes to General McNaughton in one vast achievement which as a result of his tenacity and determination can mean in any future settlement millions of dollars in power value annually to Canadians for years to come.

I quite agree with the hon. member for Essex East that there have been so many contradictory statements made by persons of prominence on both sides of this issue and by both the federal and provincial governments that this gives greater reason for General McNaughton having the opportunity to be heard. General McNaughton has remained in office as a public servant since the treaty was signed. Because he was a public servant his lips were sealed. He was waiting week after week to have the opportunity to present his case before the external affairs committee, and I am quite sure he would soon knock the arguments of the water resources branch into a cocked hat. He waited week after week but without the opportunity being afforded.

Now he has the right to speak because he is no longer a public servant. General McNaughton does not bring this issue forward because of any interest in partisan politics. He takes this stand because of his strong conviction that Canada has received a poor deal in the Columbia river treaty. I recognize the fact that this treaty was, shall I say, forced or the terms of it were dictated to meet the wishes of the provincial government. But the situation is such that it never can be clarified in the minds of Canadians unless we have General McNaughton before the external affairs committee. The members of this party agree with the suggestion of the hon. member for Essex East, that we will sit here tonight and tomorrow or as long as is required to complete this business.

Then, in addition to that, the government has promised all the chambers of commerce, farmers institutes and other organizations in the Kootenays, the Arrow lakes, the water resources committees, that they will be advised when this committee is to sit and given an

opportunity to present their case. We will even continue in session long enough for them to get to Ottawa and present their case in connection with certain aspects of this treaty.

I mentioned that there were a great many contradictions, and I want to deal with them briefly. When the Prime Minister signed the treaty he made a few brief remarks, and I quote one paragraph:

In conclusion, the treaty that is being signed today is without precedent in the relations between nations. It represents a new level of co-operation for mutual advantage. Without the proposed agreement neither country could secure benefits for its people equal to those that can be realized through the action that the treaty contemplates.

Now, that is what the Prime Minister said on that occasion. Then, what did the Minister of Justice say in an address to the Canadian club in Montreal on February 13, 1961? He said:

I would like to stress at this point that the government of British Columbia was closely associated with these negotiations and gave wholehearted approval to the plans unfolded in the treaty negotiations.

I am quite confident that is an accurate statement on the part of the Minister of Justice. What does Mr. Bennett say when he refuses to go along with the terms of this treaty? A recent statement made by the Minister of Justice indicates that the federal government bowed to the wishes of the province of British Columbia. What does Mr. Bennett have to say? I have a copy of his address made at Prince George on September 16, 1961. He was kind enough to send me this copy from his office. I quote:

Well, as you know, the United States and Canada have signed a treaty. It has been ratified by the congress of the United States but not by the parliament of Canada. As you know, too, British Columbia has agreed to the general engineering principles outlined, but has never agreed to the financial proposals put forth by the government of Canada.

The reason we have not agreed to those proposals is very simple: We want at-site power on our Columbia river installation as soon as possible. And to bring that about, we must dispose of our surplus power at a fair and equitable price.

It might be asked, "Well, what of it? Look at how much you're getting and how little you're giving away".

All right—let's look. But let's not even look through my eyes, because after all, I may be prejudiced. Let's look instead through the eyes of the secretary of the interior of the United States of America, Mr. Stewart L. Udall.

Mr. Udall is the member of President Kennedy's cabinet who has the direct responsibility of seeing that the Columbia river treaty is carried out by the United States. Recently, he issued a statement on the treaty. I have a copy of the statement with me tonight, and because it is so extremely important that we understand clearly what the treaty implies, I am going to quote rather fully from his remarks.

In any event, Mr. Udall goes on to discuss the effect of the Canadian storage at the Arrow lakes, Duncan and Mica creek. Then, he says:

As each of the Canadian storages become operable, the resulting improvement in flows can be utilized by generators already installed in the existing U.S. projects. Most of the U.S. projects were originally constructed with additional generators for reasons of economy of construction, anticipation of load growth and the subsequent availability of additional storage.

Then, Mr. Bennett said:

I quote again from Mr. Udall's statement: "To provide flood control and power benefits equivalent to those provided by the Canadian storage as of 1970 entirely from projects in the United States would require an investment in the United States of about $710 million over the next nine years. To realize these benefits through Canadian storage, on the other hand, the costs in the United States over that period are estimated at not over $150 million."

That is point No. 3, and it needs no further comment from me. Here is point No. 4:

"Because of the relatively small new incremental investment required on our part, Canadian storage yields power quickly and at an extremely low cost to the United States. The delivered cost . . . is less than one half the present basic wholesale power rate of the Bonneville power administration."

Again, no further comment is needed from me.

There is a great deal more in Mr. Udall's statement, and I would be glad to have you look at it. But for the sake of illustrating what we give and what we get from the treaty, I believe the examples I have quoted will suffice.

And so here, to summarize, is what we are giving:

Canada will provide one natural resource, our water, and surrender another, our land which will be flooded forever.

Canada must finance, pay for, engineer, construct and maintain forever all the storage dams.

By carrying out the development, Canada will give the United States 50 per cent more storage—which means the power of another Grand Coulee dam, plus flood control, plus irrigation benefits, plus navigation control—all at a fraction of the amount it would cost the United States to realize these benefits if it were to carry out the work on its own side of the boundary.

And over and above all this, the Columbia treaty gives the United States the right to build the Libby dam in Montana, a dam which they have wanted to build for many years, and one which will yield them great benefits.

That is the "little bit" which Canada is giving under terms of this treaty.

And what are we getting?

Sixty four million dollars in compensation for our flooded land, plus half of the so-called "downstream benefits".

This is the package the government of Canada has been pressing British Columbia to accept. This is the deal which the zealous—and in my opinion, extremely naive—chief Canadian negotiator, the Honourable E. Davie Fulton, wants British Columbia to buy.

We say this is not good enough, either for British Columbia, which has the most to lose, or for Canada. We agree that the treaty can be made to work, but only if the potential benefits to Canada are brought back into balance with the certain sacrifices of Canada.

Then, after Mr. Bennett makes that statement, we had the minister of lands and forests in British Columbia saying what a wonderful

treaty this is. Can you understand the confusion in the minds of the public when we have these various statements? Then, we have the Minister of Justice speaking to the Prince George chamber of commerce, when he outlined very clearly that this treaty was signed with the United States and he criticized Mr. Bennett very strongly for his statement. I quote:

> The Bennett juggernaut even tried to roll over the treaty itself—to discredit the terms Bennett's own minister, the Honourable Ray Williston had worked out with us during a year of hard work and splendid co-operation. You are told we are trying to ram this treaty down the throats of an unwilling British Columbia. What a monstrous proposition. The B.C. government helped make the treaty. The B.C. government endorsed the treaty. The B.C. government is primarily responsible for many of its most important terms. Why the abrupt change about the treaty? Why did the Bennett government cast out its own creation?

Then, later on we had this statement from the Minister of Justice, to which reference has already been made, to the effect that Canada would have been better off with a Columbia treaty drawn according to General McNaughton. In view of these contradictory statements, and in view of the great confusion in the public mind, we wholeheartedly support the proposal for bringing General McNaughton immediately before the external affairs committee.

With regard to this treaty I think the federal government received very poor advice from its water resources branch. The officials of this branch just look at things in terms of power and kilowatts; they do not look at things in terms of land, natural resources and values of that sort. The treaty was signed by this government with no definite knowledge of where the site would be for the High Arrow or Duncan dams. Premier Bennett has said the provincial government has spent $500,000 a month for the last eight months in order to determine whether they could build dams on these sites. The locations of the dams have been decided without any regard to the land to be flooded, the damage to agriculture, to the forest industry or the detriment that will be caused to the fishing resources. The damage caused will cost millions of dollars to restore, according to the wildlife service of British Columbia. This government has not considered the compensation that will be required because of the destruction of beaches, wharves, roads and ferries.

In addition to that, until recently the water resources branch did not know anything about the cost of moving logs from one side of the dam to the other. I have been told by prominent engineers attached to a large corporation that it will cost $25 million to build the equipment to lift nearly one million feet of logs a day over the High Arrow dam.

Mr. Bell (Carleton): That is nonsense.

Mr. Herridge: The parliamentary secretary to the Minister of Finance says, "Nonsense". Does the parliamentary secretary think he has better knowledge than at least three top-notch engineers in Canada who were employed by this company and spent weeks studying this question? They have said it will cost $25 million to install the equipment to move the logs over this dam automatically. That is not provided for in the estimates of cost at all. Or, I am informed, the government will have to pay this company $500,000 a year in perpetuity, if equipment costing two or three million dollars is installed.

I am not blaming the federal government for this; I think they were very poorly advised by some of their own officials. How can you say that a treaty is a satisfactory one if you do not know what your costs will be, and other engineering firms have indicated that the cost of these dams is underestimated by over $100 million. I am not blaming the government for these figures, but I do say that the situation is such that General McNaughton, with his known capacity in this field and with his knowledge and experience from which the house and the public can be properly informed on this situation, should be called before the external affairs committee to tell his story. I am sure when that story is told he will convince his most caustic critics that he is the man who has the answers.

Mr. Green: Mr. Chairman, this problem is a very good example of people, with the best intentions, getting into a great deal of difficulty. I happen to be a native of the Columbia watershed; in fact, I was born about the centre of that portion of the Columbia watershed which is in Canada. My people were pioneers in that whole district. One was a member of parliament for Kootenay and then for many years a senator for Kootenay; so I have been particularly close to this picture from the time it first came before the standing committee on external affairs, which must be ten years ago. I can assure hon. members that I have never had the slightest intention of allowing that portion of my native province to be subjected to any deal which was unfair, and that is still my intention today.

I am afraid the hon. member for Essex East has overlooked the answer I gave to a question asked by him on April 9 which will be found at page 2641 of *Hansard*. He asked that General McNaughton be allowed to appear before the external affairs committee and my answer, speaking for the government, was as follows:

> Mr. Speaker, the Prime Minister has already given the assurance that before the treaty is ratified

it will be referred to the standing committee on external affairs, and at that time I would hope that General McNaughton could be called and give whatever evidence he wishes.

The treaty has not yet been ratified. There is no intention of ratifying it without putting it before the standing committee on external affairs. Personally I would be delighted to see General McNaughton, the residents in my old home district and anybody else appear before that committee, because the one thing in which I am interested is seeing that the treaty is a proper one and that the Columbia is developed in the best interests of the Canadian people.

Let us not hear any more of this idea that the government is trying to rush this thing through without giving General McNaughton a chance to appear, because that is not the case at all. Hon. members have had the assurance of the government that before this treaty is ratified it will be submitted to the standing committee on external affairs.

Mr. Chevrier: Can we rely on that assurance?

Mr. Martin (Essex East): That is not the point; it may never be ratified.

Mr. Green: I know that the hon. member for Laurier, who is a very old friend of mine, would not wish to intimate that my word is not good.

Mr. Chevrier: No, Mr. Chairman; could I tell the minister at once that that would be the last thing in my mind. But I was thinking of the business of the house and assurances that we have received that certain business would be brought forward, and it never was.

Mr. Pallett: That is not right; that is absolutely incorrect.

Mr. Green: I would be very doubtful that this matter could be dealt with before Easter.

Some hon. Members: Oh, oh.

Mr. Green: There is one other point, Mr. Chairman.

Mr. Regier: You are too honest to be a politician.

Mr. Green: Some comment has been made about the statement reported to have been made in Alberta by the Minister of Justice yesterday or the day before. Like myself, the Minister of Justice is a native of British Columbia and his people have a longer record than my own in the public life of that province; they have a very distinguished record. He has stated, which is the fact, that originally we negotiated with the United States on the basis of a dam being put in the east Kootenays on the Kootenay river.

There must be a dam go in on that river either in Canada or in the United States in order to stop the flooding. With the consent of the government of British Columbia and with their approval we got the Americans to agree that that dam could be put in east Kootenay in Canada. I think that was very much to the surprise of the government of British Columbia. But then they turned right around and changed their minds completely and said "We will not stand for a dam in east Kootenay", and the result was that the term of the agreement had to be that the dam would be at Libby in Montana.

General McNaughton wanted the dam in Canada; so did the Canadian negotiators. The Minister of Justice quite properly stated that in his speech which is reported in the papers this morning. He is not to be condemned for that. The fact is that all through the conference General McNaughton was kept right in the picture, and kept in by me because he came under me as the Secretary of State for External Affairs and I wanted him in there to see that everything was as it should be. When it came to the final question as to whether the treaty should be recommended, the general did not like some of the features of it; he said, "I cannot oppose it. I cannot recommend it, but I cannot oppose it".

That was his position a week or so before the treaty was signed. Now, apparently, he is a great deal more antagonistic toward the treaty. In the intervening months I think he has been filled by the conviction that the treaty is very much worse than it appeared to him to be at that time. I do not want to be critical of General McNaughton but I can only repeat the leading paragraph on an editorial in the Winnipeg *Free Press* of April 11—and everybody knows that the Winnipeg *Free Press* is one of the strongest supporters of the Liberal party in Canada. It says:

General McNaughton's attack on the Columbia river treaty, which he helped to negotiate, comes very late. If he believed that the treaty was a bad bargain he should have opposed it before it was signed by the Canadian government, when a better version might have been arranged.

Indeed, if he felt, as he now says, that the treaty "sold Canada down the river," he should have resigned as Canadian chairman of the international joint commission, a step which would certainly have made any government hesitate to approve the scheme. Instead, according to the government, he accepted the treaty as the best obtainable, though it was known that he had urged a somewhat different engineering design. Now, when he is being retired from his office, he suddenly tries to lock the barn door while the horse is a long way down the road.

I am pleased today that there is not the same emphasis on General McNaughton having been dismissed, or having been removed, as we heard in this chamber on

Monday. I do not want to go over the discussion which took place at that time but I would point out again that General McNaughton has been under my jurisdiction. He was not dismissed; he was not removed. His retirement came just by reason of years—he had reached the age of 75 years. There was Mr. Dansereau, who had long service on the international joint commission, reaching that same age last year and he was not reappointed. It was simply and solely because of age that General McNaughton was not appointed again. He had been appointed on a year to year basis by the former government when the present Leader of the Opposition was Secretary of State for External Affairs and there was not the slightest idea of taking any action against General McNaughton because of the Columbia river problem or because of any other problem. It was solely a matter of age.

Here again I have an editorial from another leading Liberal newspaper—in fact, these two papers are the two toughest Liberal papers in Canada—This one is the Toronto *Star* and it said on April 9:

> As for his charge that he has been fired by a "dictator", the general has, in our view, no reasonable cause for complaint. The fact is that he has more than completed his 12-year term as Canadian chief on the international joint commission and the government chose not to renew his appointment.

They are incorrect in referring to a 12-year term because there is no such animal. The General was appointed each year. The article continues:

> His statement that he is an international civil servant does not hold water. As a Canadian appointee, heading the Canadian section of the commission, he was responsible to the Canadian government. And the government was perfectly entitled to retire him if it wished.

I would suggest that further criticism along these lines would be unfair not only to the government but also to General McNaughton himself, because it is going to do something to injure his splendid reputation and I can only ask for that fact to be kept in mind. I repeat that before the treaty is ratified it will be possible for the standing committee on external affairs to consider this question, and whatever evidence is brought before it can be heard. Then we can perhaps all agree on a treaty which is in the best interests of Canada.

I must say in conclusion that I think a good deal of the criticism should be directed west, out to the Pacific, rather than here to Ottawa. We have certainly done the best we could for Canada. We have not done any changing of our minds or pulling out of rugs as has been done by some of the others involved in this complicated problem and I really do not think it is fair that very much of the blame should be directed to Ottawa.

Mr. Herridge: I should like to ask the minister a question. I have just received notice from the press that Mr. Bennett called a press conference this morning and asked the Canadian government to ratify the Columbia treaty immediately.

Mr. Green: I am not sure whether the hon. member is trying to get on the same side as Premier Bennett or not. He seems to be in an awful hurry to get the external affairs committee to meet. I do not know whether he wants to get the treaty ratified or not. But Premier Bennett is not running the Canadian government yet.

Mr. Herridge: I am very glad to hear that.

Mr. Pearson: Perhaps I might be permitted to say a few words in the light of what the minister has said on this matter. I am sorry I was not here to listen to my hon. friend from Essex East, but I understand he did not deal with the merits of the Columbia treaty itself. At this particular moment it is not the matter at issue, though it would lend itself to an interesting discussion if the opportunity should arise. I understand, also, that my hon. friend did not deal with the dismissal of General McNaughton as such but that he was asking for an investigation into the statements made by General McNaughton as a member of the Canadian section of the international joint commission—statements made by him regarding his dismissal and statements made regarding the nature of the treaty which we have mentioned. That is the issue as we have raised it at this time.

Surely, since the Coyne affair there has never been a matter which has cried more loudly for examination and investigation than this one does. The minister said that General McNaughton had not been dismissed, and he quoted some sources which were completely satisfactory to him on this matter. General McNaughton, he said, had not been dismissed; he had merely been allowed to retire at the end of the year's period of extension which had characterized for some years his position as chairman of the international joint commission. In other words, he was holding that office from year to year. That may be the attitude taken by the minister, but I should like to quote an authority which will be equally respectable in the eyes of the hon. gentleman—the Toronto *Telegram,* which everyone knows is very close to the government in this and other matters.

Mr. Martin (Essex East): The government's conscience.

Mr. Pearson: The Toronto *Telegram* had this to say on Monday, April 9:

> General McNaughton's blast against government policy on the Columbia river is typical of this embittered old man—

I must say that is a rather ungenerous comment concerning a man who has served Canada as General McNaughton has served, but we will let that pass. The editorial then goes on to say:

> He has been fired from his job as chairman of the Canadian section of the international joint commission—

Then there was the statement made by General McNaughton himself. If, however, the situation is as the minister states it, then surely this is one reason—and it is only one reason and perhaps not the most important—why there should be a chance to reconcile the conflicting statements in regard to this question of his dismissal. That could be done very simply by asking General McNaughton to appear before the committee on external affairs of this house.

There are other statements made by General McNaughton which have also been contradicted by spokesmen of the government. Surely it is a matter of great interest and importance to have these contradictions resolved for the sake of everybody concerned, including the government.

On April 3 the Prime Minister announced the general's retirement. He announced it outside the house in a press statement in which he said that he wished to take the opportunity of expressing the government's appreciation of the distinguished service General McNaughton rendered to Canada over so long a period of time and in so many important fields, a tribute which I think most hon. members of this committee would echo.

It would be very interesting to know, and perhaps the minister will be able to tell us, the circumstances surrounding the issue of the statement of April 3. Was General McNaughton formally apprised of the fact that his position was not to be continued, that he was going to be dropped at the end of this year's extension, if I may use that expression?

Mr. Green: I can clear that up at once, Mr. Chairman. I spoke to General McNaughton myself some weeks before this announcement. We had a perfectly amicable discussion and arrangement.

Mr. Pearson: On April 6, three days after the statement was made, which, according to the minister was the result of a very amicable arrangement made between him and the general—apparently the general did not consider it exactly in this light—the general made a statement in Washington which has been given a good deal of publicity. In that statement he said he had been removed and he was quite emphatic as to what had happened.

As I said, that is perhaps the least important aspect of this unhappy episode. The general, having said that his retirement was due to an arbitrary decision—and he went on to say of a dictator—on the same day also expressed very serious reservations about the treaty. Perhaps he felt free to express those reservations only after he had been informed—or the country had been informed—by a press release from Ottawa that he was about to vacate his post. That being the case, General McNaughton might have felt free to say things he could not have said while occupying his position. I need not repeat what he said on that occasion about the treaty because it has already been placed on the record. On April 7, the next day, the Minister of Justice took issue, as I think the Secretary of State for External Affairs also did, with the statement made by the general in respect of this treaty, and whether or not it was in the best interests of Canada.

The general in his turn has taken issue with some of the statements made by representatives of the government. He said on April 7 that he informed the government at the time that he would not associate himself with the treaty and he made it clear to the full federal technical committee that he would speak his mind when the opportunity arose. The opportunity arose after the general was told his term of office was over. Surely this is the kind of thing that should be investigated by the committee on external affairs of this house. If ever there was an important issue to submit to this committee, such a vital subject, this is it. I should have thought the government would have been the first to desire that this matter be looked into by a committee of this house in that way.

Another reason for having such a committee meet at once arises from the statement made yesterday, and an explanation of which was offered today to the effect, according to the Canadian Press, that the plan submitted by General McNaughton at the time was a better one than that which was actually signed in relation to the Columbia, but that it was impossible and impracticable to bring it about at that time.

Another reason for investigating this matter arises from the statement issued by the general this afternoon and from the press conference held by the premier of British Columbia this morning. All these matters

have thrown this whole question into confusion and indeed into disarray. Surely the committee on external affairs, while parliament is sitting, is the place where some of this confusion we would hope could be removed and where we could be given the opportunity of finding out what actually has happened, not only in connection with General McNaughton's charges against the government and the negotiation of this treaty but also in connection with the treaty itself. In this way we might have an opportunity before this parliament ends of looking into the treaty. I do not quarrel with anything the minister said with respect to the treaty being submitted to the committee on external affairs before ratification. That, of course, is the convention and the custom under our constitution, that parliamentary approval should be given to every international engagement or treaty which imposes any commitments or obligations on this government, this country or this parliament. That is the normal course of events. That is what happens. These matters do not always go first to the committee on external affairs, although it has been the practice to submit conventions and treaties first to that committee, and then they are referred back to the full House of Commons.

Ever since this treaty was signed—and it was signed in circumstances which made it very doubtful indeed whether ratification would be easy and early because of the attitude taken by the province of British Columbia in connection with it—

Mr. Green: After it was signed that attitude was taken.

Mr. Pearson: That attitude became pretty clear in the letter sent by the premier of British Columbia to the Minister of Finance on, I believe, January 13, 1961, only a day or so, I admit, before the signature.

Mr. Green: In that respect may I point out that perhaps the Leader of the Opposition is unaware that ministers from British Columbia and their officials had been sitting in all the way through and had agreed to every word of the treaty.

Mr. Pearson: I am indeed aware of that, Mr. Chairman. I am aware of the fact that representatives of British Columbia took part in the negotiations. I assure the minister that I am not disposed any more than he is to give any particular credit to the government of British Columbia for the way it has handled this matter. Nevertheless before the treaty was actually signed, and notwithstanding the fact that representatives of the government of British Columbia sat in on the negotiations, the premier of British Columbia sent a letter to the Minister of Finance in which he expressed very grave doubts about the implementation of this treaty, especially on the financial side.

It was not too late even then, in view of the doubts on the part of British Columbia as expressed by the premier, to have waited until those last minute doubts were removed. Surely this made it desirable that this treaty should go to some committee of the House of Commons at the earliest possible date, especially in the light of the difference that had arisen between the province of British Columbia and the federal government.

If those differences could not be resolved there was no possibility, as I see it, of the federal government carrying through its signature to ratification. It would be idle to ratify or give parliamentary approval to an international treaty if that treaty could not be implemented through the co-operation of the province which was essential to its implementation. This was surely the time when we should have had an opportunity to examine this treaty before the committee during those months.

Over the past months I have put a good many questions to the government in regard to this matter. On March 24, 1961 as reported at page 3304 of *Hansard* I asked the Prime Minister whether we could expect that this treaty would be submitted to this parliament shortly for consideration. In replying the Prime Minister said:

> I wish to make it clear that it will be submitted but the date when it will be submitted still remains to be considered.

Then I said a little later on that, while recognizing the difficulties of discussing a treaty in a committee before these difficulties had been resolved with the province, nevertheless we hope these difficulties can be resolved without delay, at least to the point where we can examine this treaty in parliament.

The Minister of Justice said that he agreed that the proper place to do that was before the committee on external affairs, when there would be the fullest discussion and fullest vindication of the terms of this treaty.

An entirely new situation has now arisen. If that situation had not arisen, perhaps we would not be justified in requesting consideration before this committee of this treaty in the dying days of a parliamentary session. However, this is an entirely new situation now, when the chairman of the international joint commission who has so much to do with the negotiations of this treaty makes with regard to it certain statements which are, to say the least, important and which have been contradicted by the government itself. We still have some days

in this parliament. No one knows how many. However, we have enough in which to ask for the committee to be convened at once and to ask General McNaughton to appear before this committee and to tell this House of Commons what he means when he says that Canada was sold down the river when this treaty was signed. The government owes that consideration, in justice to itself as well as to parliament. While statements remain unchallenged, except by statements made on the other side by ministers, this is the time to resolve the differences. The ministers say one thing. General McNaughton says something else. Premier Bennett says something else out in British Columbia. The Minister of Justice says one thing in Ottawa and something else out in Alberta. If there was ever a time when a situation was confused and was dangerous in its confusion, and if there ever was a time when that kind of situation should be cleared up, surely this is it. Surely the minister will realize the advisability of calling this committee together at once, not for the reasons about which we have been talking in the past, namely to go into all the articles of the treaty, although that would be desirable, but to get this single problem solved: Who is right with regard to statements made about this treaty?

Mr. Martin (Essex East): This is another Coyne affair.

Mr. Pugh: Two sides to the coin; two flags.

Mr. Winch: As a member of this House of Commons from British Columbia speaking on this most important issue now before us, may I say that I am not interested in saying anything about the retirement, whether forced or otherwise, of General McNaughton. I am interested in only one thing. I refer to a situation which, because of misunderstandings, charges and countercharges and a tirade of abuse between governments, has resulted in no action over the years in the development of hydro power resources in my province, with particular reference to development in the Columbia river basin.

I wish to say that in the years during which I have had the honour of being a representative of British Columbia I have never before known of a situation which was so heartbreaking as that relating to the power potentiality and development in British Columbia. I think there has been a great deal of misunderstanding. I think there has been far too much politicking, with the result that the general public do not know who is telling the truth and who is lying. A further result has been that development, which should have started a long time ago, is still to come, perhaps some time in the distant future. If the story were fully known, I believe it would make one of the most fantastic stories in the history of Canada. We have as the premier of British Columbia one who regards himself as a king maker, himself to be king with a British Columbia empire.

From my knowledge of British Columbia I feel absolutely safe in saying, without fear of any honest contradiction, that several years ago the government of British Columbia made some kind of backhand agreement with a corporate power in the United States for a certain development on the Columbia. From what I know, and as far as I can know, of that backhand arrangement, I have no hesitation in saying that had it not been for the action taken by the present government there might have been the greatest sellout ever known in Canada on the Columbia and its power potential. Because action was taken by this government to prevent that sellout, we then had a northern vision, not of this government but of the premier of British Columbia, wherein once again there was an agreement—the full details of which I maintain are not known and perhaps never will be known—as to the development of the power on the Peace river. Hence between politics, and the egotism, ambitions and desires of the premier of British Columbia we have had develop that extraordinary situation of a great deal of talk, charges, countercharges, abuse, and passing of the buck, and no development, be it on the Columbia river or on the Peace river.

We have in British Columbia this terrific potential power both in the south and in the north. Its development can be determined only by the two responsible governments getting together for the purpose of co-operating in the interests of British Columbia and of Canada. The matter is never going to be resolved by the continuation of what we have now and what we have had in the past between the two governments. Moreover, I feel quite safe in saying that the development of these two potentials, namely the Columbia and the Peace, cannot come to fulfilment without complete provincial and federal co-operation, as the hydro potential of the two put together is so great that it can be utilized only by a national power grid system if both are to proceed at the same time.

However, Mr. Chairman, our main and perhaps only concern at this moment is the Columbia river basin and its development by arrangement between the federal government and the government of the United States, and between the federal government and that of the province of British Columbia. I believe that the spirit of co-operation and compromise has been missing over the years. I believe that

two reasonable and sensible governments, although they have failed to get together in the past, owe it to the people of British Columbia and of Canada generally to resolve their difficulties and to do so very quickly; but they can only resolve their difficulties by complete honesty and a full statement of the facts.

I agree entirely with the statement of our house leader, the hon. member for Kootenay West, and the statement of the Leader of the Opposition, that the way to arrive at the facts and an understanding of the true situation so as to be able to pinpoint what is the best thing to do and how to proceed in the future is to have all those concerned, the federal government, the provincial government, the United States authorities and General McNaughton, appear before a committee of this house with that committee having absolute authority to call for persons and papers.

I think the government must accept a great deal of responsibility for the situation which has arisen. With their knowledge of the situation, I believe they should have been in a position to have the committee meet a long time ago and thereby clear the air. I believe that the government, perhaps unwittingly, though it is hard to say, has allowed itself to be made the stooge of the premier of British Columbia and has been made to play his game whereby as a result of the trading of abuse and the lack of action, he has been able to say that he cannot proceed because of the federal government.

This is the senior government and as such it has complete control of licensing on international rivers and waters. Having that in mind, the federal government should have been in a position to put Premier Bennett on the spot and make him put up or shut up, prove or disprove. I regret that a firm attitude of this sort has not been adopted by the federal government up till now.

I also want to say that I believe the statements made by General McNaughton are such that they cannot be ignored by the government. The government owes it to the people of Canada in general and the people of British Columbia in particular to make provision as speedily as possible so that General McNaughton, with his ten years of study and knowledge in this field, may be able to present his facts in perspective, and to give the reasons why he has made his recent charges, which I think have been confirmed by the recent statement of the Minister of Justice in Hanna, Alberta, as quoted by the hon. member for Kootenay West. If the newspaper report is correct this is something which the senior government cannot ignore. The minister has said that a Columbia river treaty drawn according to General A. G. L. McNaughton's wishes would have been better for Canada, but that it was not possible to draft a treaty in the manner suggested by General McNaughton without treading on British Columbia's toes. I do not think he meant British Columbia's toes but rather the toes of Premier Bennett with his aspirations of kingship in British Columbia.

I say that under the British North America Act and having regard to the powers of the federal government one man should not be allowed to dictate something which is against the best interests of his own province and the people of Canada. In view of the statement made by the minister as reported by Canadian Press, I say it is the duty and responsibility of the government and an immediate necessity to have this matter clarified without delay. I wish to emphasize that I believe it would not be in the interests of Canada and I know it would not be in the interests of British Columbia for the matter of the Columbia river basin development to be made a political issue in the federal election. This matter transcends politics. It transcends speeches on the hustings. It concerns the development of the hydro potential of British Columbia and is a matter which should be discussed and decided away from the field of politics by reasonable men and women, whether they be in the provincial legislature or the House of Commons. Although the time may now be very short before the dissolution of the 24th parliament of Canada, it is my sincere hope that some method will be found immediately to have this matter clarified and settled while we are still here.

I must conclude now but I want to repeat what I said in beginning my remarks. This is not a matter of the federal government saving face, of Premier Bennett and the Social Credit government of British Columbia saving face or of General McNaughton saving face. Development of the Columbia river is a matter of great importance and something that is essential to British Columbia. In all fairness I must say that it is also of importance to the states south of the British Columbia border.

I hope that viewpoint will be recognized and appreciated and that some way will be found by immediate negotiation with the province of British Columbia to bring this matter to a reasonable conclusion, so that a start can be made very soon on the development and so that we may bring to an end the trading of abuse and charge and countercharge. We have a greater responsibility than to deal with this matter in the way it has been dealt with up to now.

Item agreed to.

Mr. Martin (Essex East): We have done our best. A second Coyne affair.

DEPARTMENT OF EXTERNAL AFFAIRS

695. Official hospitality—further amount required, $6,500.

Mr. Chevrier: Will the minister give an explanation of this item?

Mr. Martin (Essex East): Before the minister speaks, may I just raise a matter? We were engaged in the discussion of other matters, and while we have agreed to let this other item through, we inadvertently were unaware that item 692 had been called.

Mr. Green: This is the item for official hospitality—

Mr. Martin (Essex East): I do not believe the minister has understood my observation. I was just pointing out, as a matter of courtesy to the committee that item 692 had been called when we were unaware that it had been called. We do not want to take up much of the time of the committee, but we have some questions on this item.

The Deputy Chairman: Item 692 was called and passed. It was one of the earlier ones. Perhaps we could continue on item 695 and I am sure the minister will co-operate.

Mr. Martin (Essex East): All right.

Mr. Green: This is the item for official hospitality. We have had heavy expenditures for official hospitality during the last fiscal year. One reason for this has been the number of visitors from other countries. For example, during the fiscal year we had visits from President Kennedy; the President of Iceland and his party; the Prime Minister of Greece; the President of Israel; the President of Finland; Prime Minister Macmillan; the President of Tunisia and the President of Argentina. This outline, of course, does not cover all the expenditures included in this vote. However, it has been necessary to spend more for official hospitality than the treasury board thought we should when the original estimate was passed.

Item agreed to.

696. Canadian representation at international conferences—further amount required, $115,000.

Mr. Pearson: This item 696 deals with Canadian representation at international conferences and so, perhaps, will give me an opportunity of asking a question which I might have asked earlier under 692 regarding the disarmament conference at Geneva. I am particularly interested in statements that have been made within the last day or two about the possibility of the resumption of nuclear tests and the possibility of postponing these tests as the result of some kind of interim agreement. There is a report, and I am paraphrasing it, to the effect that the Canadian government—the minister referred to this this morning—made what were called representations to Washington; and that certain delegations to this conference from the so-called uncommitted countries have also made representations, to the effect that the United States should not resume tests even though there is no satisfactory or, indeed, any agreement about control or inspection. I wonder if the minister feels he could tell us something about the thinking of the government in connection with this matter? I ask this question, not in any controversial or critical sense, but because the matter is of such tremendous importance. If the minister could give any clarification of the position of the government, I think it would be helpful.

Mr. Green: A day or two ago, in answer to a question by the Leader of the Opposition, I read from my first speech in Geneva to indicate the stand we had taken at that time about the tests. Of course that is still the Canadian position and is very clearly understood by all the nations concerned. Attempts are still being made in the conference in Geneva to work out some agreement between the nuclear powers which will result in a test ban treaty. It is impossible to say whether or not these efforts will be successful.

While there may not be agreement reached on a treaty which would provide for no more tests, I think there is also an intermediate position which is that tests should be postponed in the hope that something can be worked out. We are doing the best we can, but at the moment I cannot give the house any assurance as to what the final result will be.

Mr. Pearson: Mr. Chairman, I listened to a report from Washington at one o'clock which gave certain information with regard to Canadian representations which the minister was not able to give us this morning. I am not quarrelling with this because the minister says these discussions are going on, and when diplomatic discussions are going on it is not desirable, in certain circumstances at least, to give out all the details regarding these representations. However, this particular report was very detailed with regard to the nature of the Canadian representation and emphasized the fact that our government had criticized the United States government for taking a position which was too rigid in respect of the kind of control and inspection which was required, and that there would be a greater possibility for agreement if the necessity for control and inspection were reduced somewhat by the United States.

Mr. Green: Well, the big controversy between the nuclear powers is as to the type of verification there must be. The Soviet union claims that all the verification necessary can be obtained by the national systems of the western countries. The United States and the United Kingdom maintain there must be some international verification in each of the nuclear countries. Now, the dividing line is not entirely clear. I think there is some scope in there for bargaining. The parties on each side may have been taking a more rigid position than they would adopt as a final position.

Scientific matters are also involved in the question of what can be verified. I think it has been generally agreed that they have been verifying explosions in the atmosphere. The whole dispute is about explosions underground. One of the questions is whether or not there would have to be posts in the Soviet union and the United States, international posts, or whether it would be sufficient to send in inspection teams after there had been seismic disturbances which had not been definitely identified. Now, I believe there is some scope in that field for the two sides to get together. In any event, that is Canada's hope.

Mr. Martin (Essex East): I take it the hon. gentleman believes that verification inside the Soviet union is not essential. The minister would even go one step further, and the Prime Minister too, according to a statement made in Montreal the other day, and hope that there would be no resumption of tests at all whether or not an agreement is arrived at between the Soviet union and the United States. This is clearly the position of the government of Canada at the present time. I assume that the representations which Canadian spokesmen have made to the government of the United States are along these lines.

Mr. Green: Any representations—

The Deputy Chairman: I am sorry to interrupt the minister, but we have gone past the hour of five o'clock, so I must rise—

Mr. Chevrier: May I suggest that we pass the remaining items?

The Deputy Chairman: It would be necessary to have unanimous consent to do that. If it were satisfactory to all members of the committee, there are only a few items, and it may be desirable to have them passed if unanimous consent could be obtained. I must advise the committee that the proper procedure is to get leave after the committee rises.

Mr. Bell (Carleton): Do it now; it will only take two minutes.

Mr. Chevrier: It will only take a minute.

Mr. McCleave: The Chairman does not have to see the clock.

The Deputy Chairman: Does the committee wish to carry on?

Some hon. Members: Yes.

An hon. Member: Stop the clock.

Mr. Green: We can try to help work these things out. We do not ourselves take rigid stands like that. We are simply trying to help arrive at some provision which will be satisfactory to the nuclear powers.

Mr. Martin (Essex East): Mr. Chairman, I should like to say just a word on this question. It is a vital matter. I know the minister is concerned about it. As the Leader of the Opposition has said, our discussion on this matter is in no way political. All we are seeking to do is make a contribution toward the solution of one of the vital problems which faces mankind at the present time.

As I understand the situation, the government of the United States has said through its president that it must resume tests; that this resumption is necessary because of the inability of the United States and the Soviet union to agree on a program for the cessation of nuclear tests under conditions which the United States believes would not prejudice its security.

The Soviet union detonated some very major nuclear weapons last fall. The suggestion is that as a result of such explosions the Soviet union acquired information with regard to problems having to do with anti-missile operations. All I am now saying is what one reads in publications. Indeed, the leader of the Labour party in the United Kingdom has gone so far as to express the view that the Soviet union may have acquired information as a result of these latter explosions which, while not adding to the deterrent strength of the Soviet union, nevertheless gives that country some information in that particular field which may not be open at this time to the United States. It is suggested that this is one of the reasons why the President of the United States has decided to resume tests. The leader of the Labour party in England, Mr. Gaitskell, in a public speech in his country indicated that he would favour the resumption of tests because of these conditions and circumstances which are alleged to have followed the explosions by the Soviet union.

This is the background. I am assuming that notwithstanding this situation, the view of the government of Canada is that the United States should not resume tests, whether or not it is able to reach an agreement at Geneva with regard to the resumption of such tests. I understand further that the

position of the Canadian government is as stated by the Secretary of State for External Affairs on a number of occasions, namely that the Canadian government believes that it is not in the interests of the present generation that these tests be resumed, whether or not there is a system of control agreed on.

On other occasions I thought the view stated by the Secretary of State for External Affairs was unequivocal, but that the position taken by the government through the Prime Minister was equivocal. The statement made by the Prime Minister to a gathering last week in Montreal was to the effect that Canada favoured no resumption of tests, whether or not there was an agreement with the Soviet union. Notwithstanding what may have been achieved by the Soviet union as a result of the explosions of last fall, the view of the government of Canada is that there should not be any resumption of tests by the United States. This is a matter of vital importance. I take it that this is the policy of the government of Canada.

Mr. Green: Mr. Chairman, the hon. member—

The Deputy Chairman: Order. I am sorry to again interrupt the hon. minister. We are now well past five o'clock and I think I should report progress. So that the house may proceed to the consideration of private members' business pursuant to section 3 of standing order 15, it is my duty to rise, report certain resolutions and request leave to sit again later this day or at the next sitting of the house, as the case may be.

Item stands.

Resolutions adopted in committee of supply this day reported and concurred in.

ST. LAWRENCE SEAWAY

MR. CHEVRIER—TABLING OF EMPLOYMENT FIGURES

Hon. Lionel Chevrier (Laurier): Mr. Speaker, while you were chairman in committee of the whole I moved to table certain documents. I wonder if I could get permission to do so now.

Mr. Deputy Speaker: Has the hon. member for Laurier (Mr. Chevrier) leave to table certain documents?

Mr. Bell (Carleton): Agreed.

Some hon. Members: Agreed.

PRIVATE BILLS

MARION RUTH CATHERINE SLATTERY

On the order:

Second reading of Bill No. SD-6, an act for the relief of Marion Ruth Catherine Slattery—Mr. McCleave.

[Mr. Martin (Essex East).]

Mr. R. J. McCleave (Halifax): Mr. Speaker, if the house is agreeable and there is unanimous consent I would ask that the divorce bills standing in my name be given second reading now so that they may be studied in committee on Monday morning.

Mr. Deputy Speaker: Does the house give unanimous consent to the request of the hon. member?

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, it is the wish of this party that the procedure of the house be according to the rules.

Mr. Deputy Speaker: I see there is not unanimous consent.

INDUSTRIAL RELATIONS

PROVISION OF MINIMUM RATE OF WAGES FOR EMPLOYEES

Mr. Arnold Peters (Timiskaming) moved the second reading of Bill No. C-42, to provide for minimum wages for employees.

He said: Mr. Speaker, this is a relatively simple bill and is applicable to a very small number of employees; in fact, it applies only to employees under the jurisdiction of federal fields of endeavour. It covers persons involved in such undertakings as the operation of ships, transportation by ships in Canada, maritime fields, telegraph, railway transportation, aerodromes, broadcasting, banking and such other works within the provinces as come under the general statutes of the federal government.

Therefore the number of employees who would be affected by this bill is limited. This problem has affected all the provinces and the federal government because of the very nature of our constitution. The British North America Act has the capacity of a constitution which makes it mandatory for the Canadian government to have limited legislation and federal jurisdiction over these people. Each of the provinces has its own jurisdiction of a similar nature where that jurisdiction applies. We are asking in this bill only for a basic minimum of $1.25 an hour.

Many members have asked me in the last few weeks if I did not feel that $1.25 an hour was a ridiculously low figure, particularly when the prevailing rates applying to most contracts handled by the federal government where day to day workers are employed is set at a level higher than the minimum for which we are asking here. However, we feel there should be a minimum rate and that it should not be a detrimental hiring rate in areas where industry will be following the lead given by the federal minimum wages. We feel that in some cases employers who are not favourable to establishing reasonable rates

and who often use the minimum rate as their maximum rate also will be influenced by this.

According to a review undertaken by the legislative branch of the Department of Labour, all the provinces now have minimum wage laws in operation. Prince Edward Island was the last province to enact such legislation. In the province of Ontario we have to date a minimum wage law affecting women only and the amount varies according to the zones in which they work. There are minimum wages in some of the provinces which are set as low as 44 cents an hour for workers under the age of 18. Unfortunately, most of the provincial legislation regarding minimum wages has set rates which are ridiculously low, and even those rates have been criticized by some employers because it was maintained that they did harm to their hiring rates.

We are introducing this measure in the hope that this legislation will give leadership to the provinces and encourage them to enact laws providing for a minimum rate as high as this minimum is. In Ontario the minimum rate for women is disgracefully low and that is true with regard to most of the other provinces. It is true that $1.25 is a very low figure in most areas in which the federal government is hiring people at a minimum rate of $1.65. In Port Arthur and the surrounding area I understand the rate is $1.85. However, our figure is considerably higher than the provincial prevailing rate in Ontario and in many other provinces.

We hope the minimum rate set out here will be taken as such. We hope it will protect workers in areas where abuses might otherwise take place, but that it will not necessarily be considered an acceptable rate for any particular area. It will be something to work from.

Some of the Conservative members on the eve of an election would probably like to refer to the fact that in 1935 Mr. R. B. Bennett, a former prime minister of this country, introduced legislation which would have provided certain minimum labour conditions in accordance with a labour code in keeping with the recommendations of the Geneva labour convention at that time. However, the legislation was ruled ultra vires under the terms of the British North America Act. Since that time very little federal labour legislation has been enacted of a kind which would give leadership to the provinces in this field. Considerable discussion could take place as to the reasons why it has been necessary to establish minimum wages and regulate working conditions in the provincial as well as the federal field. It might also be interesting to consider why the federal government has not developed a federal labour code of which a minimum wage would be part, so as to give leadership to the various provincial departments of labour across the country. This was the wish of Mr. R. B. Bennett in 1935. It is still, in my opinion, the wish of most labour organizations, of most employers organizations and also, I think, of this country in general, that we should find a way of putting into effect the recommendations which have been made over the years by the Geneva conventions as a means of protecting the rights of those in the labour field who are not in a position to bargain for themselves.

Of course, there are no unions across the country which would be asking for a minimum in the fields in which the federal government has jurisdiction; but an act such as we propose would give the leadership for which this country has been looking for many years. The present Minister of Labour is concerned with this matter and he has shown an understanding of the need for a national labour code, as well as of the need for improvement in many of the aspects of labour legislation. In addition, the government over the years has endorsed the decisions of the Geneva conventions affecting labour; so perhaps there has been an indication from Canada that there is a desire to see at least a basic federal labour code established which would include among other things a minimum wage for all employees.

Before I sit down I should like to point out that while we are debating a proposal for a minimum wage we would certainly wish to protect those rights which are enjoyed by employees, and that we would not wish the provision of a minimum wage to take away from any employee under federal jurisdiction any of the rights he now possesses.

Mr. E. J. Broome (Vancouver South): The hon. member who introduced this measure stated that it is a simple bill. It is not too simple. It contains 19 clauses and some 50 subclauses. However, the principle of the bill is simple. It is to set a realistic minimum wage and I think that is a principle of which most members of this house will approve.

I thank the hon. member for having given credit to a former Conservative prime minister, the Right Hon. R. B. Bennett, for having introduced in his new deal legislation in 1935 the principle of a minimum wage. This was referred to when this bill was first introduced in this house, I believe on November 28, 1957, by Mr. Stanley Knowles. As far as I can make out, the only difference between this bill and the bill introduced by Mr. Knowles is that Mr. Knowles' bill set one dollar an hour as the minimum wage whereas this bill sets a rate of $1.25.

In the debate on the bill in 1957 as reported at page 1619 of *Hansard*, Mr. Knowles went on to point out that the Bennett proposal had

been ruled ultra vires in that it had been established by the courts by that time that labour-management matters came in part under federal jurisdiction and in part under provincial jurisdiction and therefore it was not competent for the federal parliament to pass a minimum wage act applicable to all wage earners in Canada. As reported at page 1619 of *Hansard* of November 28, 1957, Mr. Knowles went on to say:

> I think it is fair to say that Mr. Bennett, the eminent lawyer that he was, knew of this difficulty and he tried to meet it by a rather lengthy and interesting preamble which can be found in chapter 44 of the statutes of 1935. The gist of that preamble was that Canada, having agreed to an international convention regarding the establishment of certain labour standards, including minimum wages, was obligated by that treaty arrangement to put such legislation on the statute books of the country.

Nevertheless that was not supported by the courts. This bill, dealing only with labour coming under federal jurisdiction, certainly is one with which parliament can deal. In previous debates the objection was raised that bills of this nature are money bills representing increased costs to the federal government. That argument cannot be sustained. I refer again to Mr. Knowles' statement on this question as reported at page 1623 of the date to which I have referred:

> A bill, which does not involve a direct expenditure but merely confers upon the government a power for the exercise of which public money will have to be voted by parliament, is not a money bill and no resolution is necessary as a condition precedent to its introduction.

Those are not the words of Mr. Knowles. He was citing the headnote of a decision which appears at page 457 of Beauchesne's third edition.

In other words, if parliament passes this bill the costs, if there are any increased costs as a result of its passage, would still have to be approved by parliament when the estimates are considered.

As the sponsor of this bill said in his opening remarks the rate established by the bill of $1.25 an hour is much less than the rate set through collective bargaining negotiations with the various labour bodies who speak for practically all federal government workers in regard to wages. If this bill passes I am concerned that in some areas the minimum might become the maximum, which certainly would not be a very good thing.

There is a minimum wage law in the United States. I believe a proposal is currently being discussed to establish there a minimum wage of $1.25, which seems to be a reasonable figure although it is considerably above what Mr. Knowles in 1957 thought was reasonable.

I was interested in checking the rates specified in similar acts in the various provinces.

I cannot resist pointing out that in Saskatchewan, where one would think the thinking would be akin to that of the hon. member, the minimum wage is $30 a week for cities and the 15 larger towns within a five mile radius and $29 a week for the rest of the province. This applies to workers over 18 years of age. For those under age 18 the minimum is $2 less; that is, $28 in the larger towns and $27 in the rest of the province. This works out to something in the neighbourhood of 75 cents an hour, or if you wish to take the lower figure of $28 for someone under age 18 who is not employed in the 15 larger towns and cities it is 70 cents an hour. I am wondering why it is that that minimum wage level has been adopted by a province that has a government which is supposed to be a leader in social legislation.

As I said, the minimum wage was first introduced in parliament by a Conservative government, just as a Conservative government introduced hospital insurance, unemployment insurance and other legislation of benefit to the people of Canada. Therefore, there is nothing in the philosophy of this bill that a member on the government side would not consider worthy of consideration.

When we reach a clause by clause consideration of the bill various questions may arise. In some clauses of the bill the hon. member has gone a little far afield. I do not wish to discuss in detail the clauses of the bill but the hon. gentleman set specific limits on board and lodging. I am wondering whether those limits are the same in cases where the employer pays more than the minimum wage. I wonder whether the hon. member intends to set a rate of 50 cents for a meal and 75 cents for lodging in cases where the employer is paying as high as $2.50 an hour for labour. The provisions of the bill are vague in some respects and unrealistic in the light of present day costs, and these matters would have to be discussed when we reach detailed consideration of the bill.

The bill covers all federal employees. As I have said, most of these are fully covered by union agreements arranged through collective bargaining between the employer and the employee. I think of employees such as those engaged on railways, air lines and in communications. In paragraph (g) of clause 3 of the bill reference is made to employment in banks and banking. I am wondering whether employees in this field should be included in a measure of this kind. Questions of this sort would have to be examined by any committee considering the bill.

The hon. member proposes that records must be kept. I do not know the background

of this recommendation but the records proposed appear rather elaborate and would, I fear, become onerous. Perhaps modification is required here.

The hon. member has said this is a simple bill to provide a minimum wage of $1.25 an hour. I agree it is simple in its basic philosophy but not in any other respect. Before this bill was passed by parliament it would have to be thoroughly examined in committee. I am wondering, on the basis of indications in the last week, whether there would be sufficient time for the bill to receive the intensive checking in committee that would be necessary. I am in general agreement with the concept behind the bill but feel it requires thorough examination. I suppose the banking and commerce committee would be the appropriate place to which to refer the bill so that representatives of industry and labour could appear before the committee and state their views.

Mr. Peters: Before the hon. member resumes his seat perhaps I may be permitted to ask him a question. The only figures available for comparison on a national basis are those relating to female workers. Is the hon. member aware that in 1960 there was a minimum wage of $32 a week in Saskatchewan for women, the highest minimum wage for women in Canada?

Mr. Broome: I did not know that. The table from which I was quoting was the one which was filed by the hon. member. As far as I can make out, it made no distinction with regard to male and female labour, but simply with regard to the location of that labour, whether they were working in cities or in small towns and villages. Even if the hon. member is right, at $32 a week this is 80 cents an hour and he is still 66⅔ per cent under what he is proposing here on a federal basis.

Mr. Peters: It is very low.

Mr. Broome: There was one point I wished to make, however, and I thought the hon. member might have made it himself as an argument for the bill, namely that the federal government could very well be a good example for the provinces. This is a point which the hon. member could have made and I think it is an argument for his bill.

Mr. E. W. Brunsden (Medicine Hat): Mr. Speaker, the hon. member for Timiskaming is to be congratulated at least on his tenacity, for this bill has the look of an old friend. We have heard a good deal about it in the last few years. I should like to say that I am quite sure that, regardless of where he sits, every member of this house will subscribe to the principle that the worker is worthy of his hire. Underlying the presentation of this bill I presume there is that wish to see that the worker receives due reward for the energy he expends. Yet at the same time I find it very hard to reconcile certain statements made by the hon. member who introduced this bill, and certain phases of the bill, with the progress that my hon. friend hopes may be made when the bill is passed.

I am particularly concerned at the moment with clause 2(b) which states that "employee" means a person of any age. It is conceivable that in certain departments or in certain avenues of work juniors would be preferable. I can think of a great many young persons in my own community to whom I certainly would not wish to pay $1.25 an hour. Mention was made of the fact that in one area the minimum wage is 48 cents an hour. I am not saying that is a proper wage. However, I believe that we are imposing a handicap when we say to any employer, "You will pay $1.25 an hour for labour regardless of sex and regardless of age". A young man, possibly of the age of 16 years, having left school and receiving $1.25 an hour for a seven hour day, would receive $8.75 a day. If he worked five days a week he would receive $43.75. That amount may not appear to be excessive. Perhaps it is not excessive. However, I say that it represents a figure which may be out of balance with the wages received by the older person. A young man 25 years of age I think would automatically consider that, if his younger brother of fifteen years or sixteen years can receive $43.75 a week, he is being underpaid at $60 or $65. I find it extremely difficult to embrace this bill in the broad terms in which it has been outlined.

A moment ago I said that the worker is worthy of his hire. We all subscribe to this principle. However, how does one determine worthiness? That point seems to be the key to the matter. If this provision was to apply to a specially trained group, a group with certain known qualifications, or if it was to apply to certain specialized work, there might be more justification for that particular clause than there is now. However, you cannot get qualification and you certainly cannot get experience in a young head and a young body. I believe there should be some amendment to this bill—and I am not going to propose it—which would take out of the bill itself this question of sex and age and which would put the bill on a firm basis with respect to the type of labour for which it is intended.

I agree with many of the things said by my colleague the hon. member who last spoke. We are in sympathy with this type of legislation. We wish to see the people of this country obtain a decent living. Regardless of where

we sit in the house, I am quite sure that all of us would applaud any forward looking step which would place the extremely low salaried worker—particularly the more adult worker —on a basis of comfort and equality consistent, of course, with services rendered. However, times change. I can remember, Mr. Chairman, when my father came to this country in the early part of this century, when I was a very small boy. He worked for a dollar a day and he was glad to be able to work. I myself can remember working for 50 cents a day and working long hours. It is true that the dollar or the 50 cents meant a great deal more then than it does today. I will grant that fact. However, those were the days of competition for work. We were obliged to get out and find our own jobs. Many of us worked on farms in western Canada for $25 or $30 and our board a month, and we were the better for it as we learned that it was necessary for us to produce something in the way of constructive labour in order to enjoy the advantages of a wage at all.

Therefore, Mr. Chairman, with all kindness and with all respect for the mover of this bill I say that the hon. member might be well advised to take a second look at it and to bring into it some clarification as to the persons to whom it basically should apply.

I am sure there are many other members of the house who would like to speak on this bill. It is an important one. We are all interested in workers. Most of us are workers ourselves. I do not intend to monopolize the time of the house. In closing let me say this. Regardless of party, experience, or outlook and particularly regardless of economic position, I am sure there is not a man or lady in this house who will not endorse the basic principle of this bill.

Mr. Murray Smith (Winnipeg North): Mr. Speaker, this is the first opportunity I have had to make any comments on this bill, even though it has been before this house in previous sessions. However, I have read the contributions of hon. members from all sides of the house in previous debates. The thing that struck me from the beginning was that while everyone is in agreement with the basic principle outlined in this bill, there may not be agreement as to the amount and there may not be agreement as to various clauses and subsections of the bill. The situation therefore is one in which everyone wishes to achieve the same end but differs as to the method of going about it.

Another thing that struck me was the need for the introduction of a bill like this. We all know from past history, of course, of instances in which labour was exploited by employers. We have come a long way since then. However, the fact that we have a bill like this before us would indicate that there is still the isolated instance in this country where labour is being exploited. Coming as I do from the city of Winnipeg may I say this. We had there an experience about which I am sure all members of the house have heard and read. I am, of course, referring to the 1919 Winnipeg general strike. Following that strike the trade union movement grew up and bargained with employers for wages. I think the way our unions have conducted themselves in the past and are conducting themselves at the present time is a credit to Canadian labour. Personally I feel it is a pity that in some instances we do not have 100 per cent Canadian unions and that some of them are still controlled by our neighbour to the south. I also think it is a pity that in some cases there is apathy among some of the union members themselves so that power is concentrated in one or two at the top without in some instances the sanction of the rank and file. But by and large the history of unions in Canada and what they have accomplished for the workers of this country is very commendable indeed.

Previous speakers have pointed out that in this sprawling land of ours—and some consider it is a miracle that it has remained together as long as it has—our lines of geographical barriers run north and south and our economic lines run north and south. Across this country there are various standards of living and various bases of economic stability. Therefore what may be regarded as a minimum wage in accordance with the standard of living in one part of the country may be far too high in the light of the standard of living in another part of the country.

When one looks at the type of workers who would be covered by this kind of legislation he cannot help asking the question, is there a real need for a minimum wage of $1.25 an hour? I would be interested in the production of figures before a committee to which this bill might be referred, to determine the number of employees in these various categories who are in fact being paid less than $1.25 an hour; and if there should be a substantial number I would be interested in the category of work, the age and education of the employees in the various groups. In that regard I agree with my colleague, the hon. member for Medicine Hat, who pointed out that there are types of work which would not require a wage of $1.25 an hour or whatever the figure might be.

I am also interested in the points that have been brought out with regard to the minimum wage legislation in the various provinces of this country. I would think that the result we

are seeking could probably be better achieved by working through the provinces, either through a provincial conference with respect to conformity of legislation or through the various labour groups approaching the province in which they are active and in which they are aware of the economic conditions and circumstances, the standard of living and all of the other factors that go into determining a principle such as this. I think it could probably be done better on a local provincial basis rather than through the House of Commons. That has been pointed out by previous speakers when they mentioned that legislation passed in 1935 was disallowed by the Supreme Court of Canada, and therefore we are confined to workers falling under federal jurisdiction.

The arguments I have tried to present and the arguments that others have presented indicate to me that while we want to achieve a certain result, a great deal of discussion must be done in committee on the various clauses of the bill. There is a great deal of information required and a great deal of time must be spent on the matter in order to achieve that result with which all members of the house will be in agreement. I commend the hon. member for Timiskaming (Mr. Peters) for introducing the bill and I hope that other members will express their views on it. I would be particularly interested in hearing from a member of the Liberal party, of whom there are few in the house this afternoon. I think they have something to offer as private members, as well as a party, and I would hope that before the hour ends we would hear from one of the two who are in the chamber this afternoon.

Mr. Habel: On a question of privilege, Mr. Chairman, may I tell the hon. member that if Liberal members are not more numerous in the house it is because they are working on something else. Not knowing what next week may bring upon us, we have some work to do and we are working at it.

Mr. Drysdale: What have they got to do?

Mr. Habel: We are getting ready. In fact we are ready.

Mr. MacInnis: I should like to call the attention of the hon. member to the fact that on one occasion this afternoon no member of his party was present and those who are here now are very busy reading newspapers in the back row.

Mr. Batten: What are you doing over there?

Mr. Deputy Speaker: I think enough has been said on that subject.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, after this short interruption I should like to go ahead and say a few words about Bill No. C-42 introduced by the hon. member for Timiskaming, which we are now discussing. In general terms I approve of the principle of a minimum wage law for federal employees. Historically I think one of the disgraces of our social system has been the unfair wages paid to those who offer their services. We can think back a good many years and realize that originally the worst exploitation was of child labour and of women who were employed in work that normally should have been done by men. But they were not the only victims of exploitation. For many years men have also been exploited in the services they have to offer to employers.

We know that out of this situation have arisen the labour unions in Canada, North America and throughout the world. I think no one will deny that the labour unions have done a great deal toward raising the standard of wages throughout the world and in that way they have served a very good and useful purpose. Prior to the time labour unions became strong enough to exert influence against employers who were oppressing workmen, it was difficult for anyone to buck the employers and the big corporations.

I think it is also fair to say that there are some people who now believe that perhaps the labour unions have at last reached the same level of power as management, or have perhaps gone beyond that and have overplayed their hand. This appeared to be the situation a few years ago, but I think it is now coming back to normal and there seems now to be a fair distribution in our social system between the powers of large corporations and those of the labour unions. We have just seen an instance this week in the neighbouring country to the south of the power that management is still able to wield. We do realize that it is necessary not only for the workers of the country but also for the government to maintain their strength at this particular moment.

In so far as this bill is concerned, I may say that for many years there have been technical problems in connection with the setting of minimum wages for federal employees. We can think back to the days of the late R. B. Bennett when there was an effort made to pass a minimum wage law for Canada. As hon. members know, this law was declared ultra vires of the federal parliament. I think the reason for this was made obvious in that the act was an effort to legislate in connection with wage standards across Canada. It became clear that this was beyond

the power of the parliament of Canada because it invaded a provincial sphere and for that reason the legislation was declared ultra vires.

However, I think this bill makes an effort to overcome that problem. I am not sure whether or not it accomplishes this purpose, but it certainly makes an effort to get around the difficulty because the effect of it purports to apply only to those who are federal employees or employees of corporations under the control of the federal government. It is very interesting to recall that when the minimum wage legislation was before the Supreme Court of Canada some 25 years ago, the supreme court divided evenly, three judges to three judges. One wonders why the court would have been so composed as to allow such a possibility, but apparently only six judges sat on the case and three felt it was ultra vires while three felt it was not. As a result, the legislation then went to the privy council which held that it was ultra vires and the legislation thereupon became ineffective.

The decision reached at that time is very interesting in view of the fact that the Supreme Court of Canada is now the final appeal body in Canada, and one could speculate as to what the decision of that court might be today in a similar case. A portion of the judgment which held that the legislation was intra vires reads as follows:

> From two main considerations, the conclusion follows that legislative authority in respect of international agreements is, as regards Canada, vested exclusively in the parliament of Canada. First, by virtue of section 132 of the British North America Act, jurisdiction, legislative and executive, for the purpose of giving effect to any treaty obligation imposed upon Canada, or any one of the provinces of Canada, by force of a treaty between the British Empire and a foreign country, is committed to the parliament and government of Canada. This jurisdiction of the dominion the privy council held, in the aeronautics case and in the radio case is exclusive; and consequently, under the British North America Act, the provinces have no power and never had power to legislate for the purpose of giving effect to an international agreement: That, as a subject of legislation, is excluded from the jurisdiction envisaged by section 92.

There was a great deal more of the judgment that might be read. However, I believe it is fair to say that, as a result of the judgment, the legislation was abandoned.

In so far as Bill No. C-42 is concerned, I have looked at it carefully in an effort to see whether or not it does get around the difficulties that were inherent in the legislation declared ultra vires previously. There are one or two clauses that might be considered ultra vires. However, since it is not the custom on second reading to go into bills section by section, I would prefer not to do so now. I merely say that the bill sets forth a useful purpose and is worthy of consideration. I would hope that the difficulties of the past in connection with wages would be met and that the government would eventually give consideration to this type of legislation.

[Mr. Aiken.]

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, it would appear from the clock that I do not have too much time to discuss this bill. At this time, I should like to congratulate the hon. member who sponsored it. I am glad to see that he has returned to his seat and that the New Democratic party finally has some representation in the house. For a while, I was wondering how he expected to get support for his bill.

Mr. Peters: I was out trying to round it up.

Mr. MacInnis: There were no members of his party present. At this time I should like also to express disappointment in the fact that the champion of labour from Essex East (Mr. Martin) has not been present to add his two cents worth. In fact, his whole party was absent at one point and the house took on the appearance of a Conservative caucus.

Mr. Chevrier: Where have you been for the last few weeks?

Mr. MacInnis: May I call it six o'clock, Mr. Speaker?

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask—I am looking to the east and I am looking to the west—oh, I see the acting house leader now—for the three days which I presume we will be sitting next week, Monday, Tuesday and Wednesday, what the business will be?

Mr. Nowlan: I am only the acting house leader, so I would not want to exceed my terms of authority, which run only until Monday when the house leader will be back. During Monday, we will continue to deal with the supplementary estimates and the bill, of course, ensuing therefrom. Then, we would take up item No. 12 on today's order paper, which is a resolution on redistribution standing in the name of the Prime Minister. These two are firm, Mr. Speaker. We will deal with supplementary estimates first and then we will take up item No. 12. I do not want, at the moment, to commit myself definitely to the order for the rest of the day, but I would expect that we would then deal with No. 2, a bill dealing with an amendment to the British North America Act; then item No. 14, which is a resolution dealing with a charge on the consolidated revenue fund for the payment of a lifetime annuity to those who may be retiring under the bill which I have just

mentioned. It may be that, at the same time, we may deal with item No. 1 on the order paper today, an amendment to the Customs Act.

As I said, I do not want to commit myself about the order of the latter three, although the first two are firm, namely the supplementary estimates and then the bill with respect to redistribution.

It being two minutes after six o'clock the house adjourned without question put, pursuant to standing order.

[The following items were passed in committee of supply]:

SECRETARY OF STATE

Public Printing and Stationery—

740. Printing and binding official publications for sale and distribution to departments and the public—further amount required, $200,000.

741. Reimbursement of the Queen's printer advance account for the value of stores which have become obsolete, unserviceable, lost or destroyed, $34,821.

DEPARTMENT OF PUBLIC WORKS

Central Mortgage and Housing Corporation—

742. To reimburse Central Mortgage and Housing Corporation for losses sustained by it during the fiscal year 1960-61 as a result of the operation of federal-provincial projects undertaken under section 36 of the National Housing Act, 1954—to extend the purposes of vote 577, supplementary estimates, 1961-62, to include such losses sustained on or before December 31, 1961, $1,035,918.

743. Reimbursement to Central Mortgage and Housing Corporation for amounts loaned under section 36H of the National Housing Act, 1954, to municipalities and municipal sewerage corporations, and forgiven by the corporation during the calendar year 1961, pursuant to section 36G of the act, $35,536.

Loans, Investments and Advances—

Central Mortgage and Housing Corporation—

764. Advances pursuant to sub-section (4) of section 36 of the National Housing Act, 1954, in respect of housing and land development projects undertaken jointly with the governments of the provinces during the fiscal year 1960-61—to extend the purposes of vote 601, supplementary estimates, 1961-62, to provide for such advances in respect of housing and land development projects undertaken on or before December 31, 1961, $8,500,000.

765. Advances charged to the special account in the consolidated revenue fund established by sub-section (2) of section 36H of the National Housing Act, 1954, in respect of loans to municipalities and municipal sewerage corporations, for construction or expansion of municipal sewage treatment projects during the calendar year 1961, $3,000,000.

National capital commission—

744. Operation and maintenance of parks, parkways and grounds adjoining government buildings at Ottawa and Hull, and general administration—further amount required, $25,000.

DEPARTMENT OF TRADE AND COMMERCE

A—Department—

General administration—

745. Departmental administration—further amount required, $150,000.

Trade commissioner service—

746. Administration and operation—further amount required, $167,500.

747. Construction or acquisition of buildings, land, equipment and furnishings—further amount required, $70,000.

DEPARTMENT OF TRANSPORT

A—Department—

Marine services—

Marine regulations including pilotage and marine reporting services—

748. Administration, operation and maintenance —to extend the purposes of vote 412, main estimates, 1961-62, to include the payment of expenses, including excepted expenses, incurred in respect of Canadian distressed seamen, $1.

Railway and steamship services—

749. Bell Island-Portugal Cove, Newfoundland ferry service—repairs and improvements to terminal facilities owned by Newfoundland—further amount required, $39,600.

Payments to the Canadian National Railway Company (hereinafter called the company) upon applications approved by the Minister of Transport, made by the company to the Minister of Finance, to be applied by the company in payment of the deficits, certified by the auditors of the company, arising in the operations in the calendar year 1961—further amounts required—

750. Prince Edward Island car ferry and terminals, $139,552.

751. Newfoundland ferry and terminals, $685,792.

752. Canadian National Railways deficit, 1961—amount required to provide for payment to the Canadian National Railway Company (hereinafter called the national company) upon applications approved by the Minister of Transport, made by the national company to the Minister of Finance, and to be applied by the national company in payment of the system deficit (certified by the auditors of the national company) arising in the calendar year 1961, subject to recovery therefrom of accountable advances made to the national company from the consolidated revenue fund, $67,307,772.

Pensions and other benefits—

753. Supplemental pension allowances to former employees of Newfoundland railways, steamships and telecommunication services transferred to Canadian National Railways—further amount required, $6,546.

General—

754. Trans-Canada Air Lines deficits, 1961—amount required to provide for payment to Trans-Canada Air Lines (hereinafter called the company) upon applications approved by the Minister of Transport, made by the company to the Minister of Finance, and to be applied by the company in payment of the deficit (certified by the auditors of the company) arising in the calendar year 1961, subject to recovery therefrom of accountable advances made to the company from the consolidated revenue fund, $6,450,082.

755. Reimbursement of the Department of Transport stores account for the value of stores which have become obsolete, unserviceable, lost or destroyed, $64,628.

B—General—

Canadian maritime commission—

756. Steamship subventions for coastal services, as detailed in the estimates—further amount required, $915,137.

Supply—Items Passed

Loans, Investments and Advances—

St. Lawrence seaway authority—

766. Loans to the St. Lawrence seaway authority in such manner and subject to such terms and conditions as the governor in council may approve —further amount required, $4,125,000.

DEPARTMENT OF VETERANS AFFAIRS

757. Prosthetic services—supply, manufacture and administration—further amount required, $48,000.

War veterans allowances and other benefits—

758. War veterans allowances—to extend the purposes of vote 462, main estimates, 1961-62, to provide for the payment of the allowances prescribed in part XI of the Civilian War Pensions and Allowances Act; to provide for the payment of the said allowances in the 1962-63 fiscal year out of any moneys appropriated in respect of that fiscal year for war veterans allowances, and to provide a further amount of, $250,000.

Canadian pension commission—

759. To authorize payment of a pension for life with effect from the 1st day of March, 1961 to Mrs. Mary Cantwell, widow of private William John Cantwell, 10th Battalion, Northwest field forces, in an amount equal to the amount that she would otherwise receive under the Pension Act, as amended from time to time, had the service of private Cantwell in the Northwest field forces been full-time paid service in the armed forces of Canada subsequent to world war I; and to ratify all payments made to Mrs. Cantwell as pension prior to the 1st day of March, 1961, $1.

Soldier Settlement and Veterans' Land Act—

760. Grants to veterans settled on provincial lands in accordance with agreements with provincial governments under section 38 of the Veterans' Land Act and grants to veterans settled on dominion lands, in accordance with an agreement with the Minister of Northern Affairs and National Resources under section 38 of the Veterans' Land Act—further amount required, $35,000.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

Water resources branch—

729. Administration, operation and maintenance—further amount required, $50,000.

DEPARTMENT OF EXTERNAL AFFAIRS

A—Department—

692. Departmental administration—further amount required, $225,000.

693. Representation abroad—operational—further amount required, $85,000.

694. Canada's civilian participation as a member of the international commissions for supervision and control in Indo-China—further amount required, $89,000.

695. Official hospitality—further amount required, $6,500.

HOUSE OF COMMONS

Monday, April 16, 1962

The house met at 2.30 p.m.

(Translation):

PRIVATE BILLS

Fifth report of standing committee on miscellaneous private bills—Mr. McCleave.

HOUSE OF COMMONS

WELCOME TO MEMBER FOR QUEBEC EAST ON RECOVERY FROM ILLNESS

On the orders of the day:

Mr. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I should like to extend the most heartfelt welcome to the hon. member for Quebec East, the parliamentary secretary to the Minister of Public Works (Mr. Tassé).

Last fall, the hon. member for Quebec East was the victim of a street accident, which kept him away from his office for several months. I know I am expressing the feeling of all in extending to him the most heartfelt welcome and wishing him full recovery at the earliest possible date.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to join with the hon. member for St. Hyacinthe-Bagot in extending the most heartfelt welcome to the hon. member for Quebec East on his return among us. With my colleagues, I wish him excellent health. With regard to impending events, I wish him good luck, but not too much, however.

Mr. Pigeon: He is dangerously well.

Mr. Y. R. Tassé (Parliamentary Secretary to the Minister of Public Works): May I be allowed, Mr. Speaker, to express my thanks to those members who have been the spokesmen of their colleagues of both sides of the house and to tell them how I am touched by their gesture.

(Text):

TRADE

APPROVAL OF INTERNATIONAL WHEAT AGREEMENT

On the order: Government notices of motions:

April 13—The Minister of Agriculture—That it is expedient that the houses of parliament do approve the international wheat agreement to be opened for signature at Washington, D.C., on April 19, 1962, and that this house do approve the same.

26207-1—190

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

RAILWAY CROSSING SIGNALS, ST. JEAN, QUE.

Question No. 410—**Mr. Dupuis:**

1. Since March 1957, how many signal systems have been installed at railway crossings within the boundaries of the town of St. Jean, Quebec; and, what was the cost of each of these installations?

2. Are further installations contemplated; and, if so, at which crossings, when will they be in operation, and at what cost?

Answer by: **Mr. Martini:**

The Board of Transport Commissioners for Canada advise as follows:

1. Automatic protection has been installed at the following seven crossings in the city of St. Jean, P.Q. since March 1957 at a total cost as indicated opposite each listed street:

Frontenac street	$14,852.94
Laurier street	14,959.55
Cousins street	9,011.91
Mercier street	11,988.70
St. Jacques street	4,570.62
Bouthillier street	8,493.06
Boveri street	9,971.05

2. Applications for the installation of automatic protection at Collin, Champlain, and Mercier streets in the town of St. Jean, P.Q. are presently being processed by the board of transport commissioners. The estimated costs of these installations are—for Champlain street $14,500 and for Mercier street $12,275. An estimate of the cost of installing protection at Collin street has not yet been developed. It is not possible to precisely estimate when approval of these applications will be granted.

RAILWAY CROSSING SIGNAL, ST. JEAN D'IBERVILLE

Question No. 411—**Mr. Dupuis:**

Have requests been made to the board of transport commissioners for the installation of an adequate signal system at the crossing of Champlain street and the Canadian Pacific Railway line at St. Jean d'Iberville; and, if so (a) by whom, and on what date were such requests made (b) what decision was arrived at with respect thereto?

Questions

Answer by: **Mr. Martini:**

The Board of Transport Commissioners for Canada advise as follows:

1. Please see answer to part 2 of question No. 410 with respect to the installation of automatic protection at Champlain street in the city of St. Jean, P.Q. This application was submitted to the board by the city of St. Jean under date of February 1, 1961 and has been under study in conjunction with possible changes at this crossing, and adjacent crossings, including a change in the railway from a double track main line to a single track main line which, it is considered, will result in less expensive installation of protection.

AMENDMENT, INTERCOLONIAL AND P.E.I. PROVIDENT FUND ACT

Question No. 435—**Mr. Michaud:**

1. Has an order in council been passed amending section 2 of the Intercolonial and Prince Edward Island Railway Employees' Provident Fund Act, chapter 5, 19-20 George V, and; if so, on what date, and what is the extent of the amendment?

2. Under, or by virtue of, the said act or any amendment made thereto, is an employee entitled to receive the difference between his present amount of retirement and the amount he would have received had he remained until the age of 70?

Answer by: **Mr. Martini:**

1. Pursuant to the provisions of section 2 of chapter 5 of the statutes of Canada, 1929, being an act to further amend the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act, the following orders in council were passed:

(a) Order in council P.C. 1447 dated August 7, 1929, closed the Intercolonial and Prince Edward Island Railways employees' fund to new entrants and also provided that employees of the Canadian government railways in the service upon or after such closing of the fund who are not members of the fund be subject to the rules and regulations for pension allowances as are or may be in effect from time to time and applicable to Canadian National Railways employees under the Canadian National Railways' pension act.

(b) Order in council P.C. 1956-29/353 dated March 8, 1956 authorized any employee who on January 1, 1956 is a contributing member of the Intercolonial and Prince Edward Island Railways employees' provident fund to elect to withdraw from the provident fund and transfer to either part 1 or part 2 of the Canadian National Railways' pension plan under terms and conditions as set out in the said order. The privilege of making such an election expired on December 31, 1956.

(c) Order in council P.C. 1958-47/1680 dated December 12, 1958, authorized any employee who on January 1, 1959 is a contributing member of the Intercolonial and Prince Edward Island Railways employees' provident fund to elect to withdraw from the provident fund and transfer to the revised part 2, Canadian National Railways' pension plan under terms and conditions as set out in the said order. This order in council passed to enable contributing members of the provident fund to transfer to the revised Canadian National Railways' pension plan if they desired. The privilege of making such an election expired on December 31, 1959.

2. No—pensions are calculated on service to date of retirement.

[Mr. Dupuis.]

*COUNTY COURT JUDGES' ASSOCIATION REPORT, 1961-62 TERM

Question No. 438—**Mr. Fisher:**

1. Did the Minister of Justice receive a copy of the report of the president (Judge J. M. Cooper) of the county and district court judges' association for the 1961-62 term; and, if so, (a) has the minister made any comments to the issue of salaries raised in this report, or (b) has he been in touch with the Canadian Bar Association on the matter?

2. What is the gist, if any, to the minister's replies or comments in either of these two situations?

Mr. Bell (Saint John-Albert): The answer is as follows:

1. Yes.

(a) Yes.

(b) No.

2. The matter is being seriously considered.

"HANSARD" DISTRIBUTION

Question No. 439—**Mr. Drysdale:**

1. What are the total number of *Hansards* mailed out by the Queen's printer?

2. What is the total revenue received by the Queen's printer from *Hansard* subscribers?

3. How many *Hansards* are mailed out to members of legislative assemblies, members of parliament, and provincial governments?

4. What would the additional cost be to airmail *Hansard* to the M.L.A.'s, M.P.'s, and provincial government libraries?

Answer by: **Mr. Dorion:**

1. English—8,196; French—1,811; 10,007 daily issues.

2. $11,826 for current session, to date.

3. Fifty-seven (57) daily, on a free basis, to provincial ministers, provincial and legislative libraries. M.L.A.'s who are not in the ministry do not receive free service.

4. The average additional cost per issue, per day, would be 17 cents. Daily air mail charge for one copy to each member of each legislative assembly (583 copies) would be $99.11. The daily air mail charge to the ten (10) legislative libraries would total $1.70.

COMMODITY EXPORTS AND IMPORTS, ETC.

Question No. 441—**Mr. Broome:**

By years, from 1955 to 1961 inclusive, what have been the total commodity exports, total commodity imports, and total deficit or surplus?

Answer by: **Mr. Morris:**

Total commodity exports, total commodity imports, and total deficit or surplus, years 1955 to 1961, were as follows:

Year	Total Commodity Exports	Total Commodity Imports	Surplus (+) or Deficit (—)
	(millions of dollars)		
1955	4,327.8	4,567.8	—240.0
1956	4,833.8	5,547.0	—713.2
1957	4,884.1	5,473.3	—589.2
1958	4,894.3	5,050.5	—156.1
1959	5,140.3	5,508.9	—368.6
1960	5,386.8	5,492.3	—105.6
1961	5,895.7	5,784.0*	+111.7*

* revised preliminary total

Note: Figures may not add due to rounding.

* UNEMPLOYMENT INSURANCE RECIPIENTS

Question No. 451—**Mr. Robichaud:**

What was the total number of recipients of unemployment insurance benefits as of February 28, 1962?

Mr. Starr: The total number of recipients of unemployment insurance benefits as of February 28, 1962, is not available.

* UNEMPLOYMENT INSURANCE CLAIMANTS

Question No. 452—**Mr. Robichaud:**

What was the total number of active claimants for unemployment insurance benefits as of February 28, 1962?

Mr. Starr: The total number of active claimants for unemployment insurance benefits as of February 28, 1962 was 718,668.

CANADA-U.S. TRADE AGREEMENT DISCUSSIONS

Question No. 457—**Mr. Matheson:**

1. Is this government currently in consultation with the United States government with respect to the proposed major changes in the Trade Agreements Act which expires June 30, 1962?

2. Is this government currently in consultation with Dr. Walter Hallstein or members of the administration commission of the common market bloc with respect to partnership discussions?

Answer by: **Mr. Green:**

1. Mr. Speaker, our embassy in Washington has been keeping the government closely informed of developments relating to the trade expansion bill, which the United States administration has proposed should replace the existing United States trade agreements act when this legislation expires on June 30. Also, Canadian ministers had a full discussion of the proposed legislation at the time of the meeting last January of the joint Canada-United States committee on trade and economic affairs. Hon. members of the house will no doubt recall the communique which was issued following that meeting.

2. Mr. Speaker, the Canadian embassy in Brussels is accredited to the European economic communities and through our embassy we are kept constantly informed of the activities of the commission. However, no proposals have been made for any new type of formal partnership between Canada and the European economic community and no discussions to this particular end are taking place.

REQUESTS TO JOIN ORGANIZATION OF AMERICAN STATES

Question No. 459—**Mr. Matheson:**

1. Has Canada received any communications from any Latin American states since March 31, 1958, urging this country to join the organization of American states; and, if so, from which countries, and when?

2. Is Canada currently consulting with any Latin American authorities respecting the formation of a new Latin American trading bloc?

Answer by: **Mr. Green:**

The answers are as follows:

1. No official communications have been received from any Latin American states since March 31, 1958, urging Canada to join the organization of American states.

2. The Canadian government is following closely the negotiations concerned with the formation of the Latin American free trade area through the economic commission for Latin America, of which Canada is a member. ECLA played an important role in the formation of LAFTA and continues to provide guidance for the LAFTA members in the negotiations. Our mission in Montevideo, where the LAFTA headquarters are located, is maintaining close contact with the secretariat there. Moreover, our Latin American missions report regularly on these developments. Finally, we have a chance to examine these questions in GATT where the LAFTA negotiations are subject to review.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PREVAILING RATES, NATIONAL PARKS

Question No. 391—**Mr. Robichaud:**

1. How is the compensation for prevailing rates employees in (a) the national parks (b) the national historic parks, established?

2. What are the present hourly rates for each classification of these employees in (a) each of the national parks of Canada (b) each of the national historic parks of Canada?

Mr. Dinsdale: Tabled herewith.

Orders for Returns

REVELSTOKE NATIONAL PARK PERSONNEL

Question No. 429—**Mr. Herridge:**

1. What are the names, annual salaries, and expenses of the superintendent and administrative staff of Revelstoke national park for the fiscal year 1960-61?

2. Were houses built for the superintendent and administrative staff; and, if so, (a) what is their number (b) what is the average size in floor space (c) what was their average cost per square foot of floor space (d) what was the cost of landscaping per house (e) what was the cost in the fiscal year 1960-61 of providing for each house; (i) oil (ii) coal (iii) wood (iv) gas (v) light and water? (Answers for (b) to (e) are required broken down into (1) superintendent (2) other administrative staff.)

3. What is the size of the paving blocks from the superintendent's house to the street, and what was the cost per block?

4. How many passenger cars and other vehicles were used by the superintendent and staff in Revelstoke park in the fiscal year 1960-61?

5. What was the cost of operation per vehicle in the fiscal year 1960-61?

6. What were the regulations for use of vehicles by the staff in off-duty hours in the fiscal year 1960-61?

7. What was the inventory of the road and other machinery located and used in Revelstoke park in the fiscal year 1960-61?

8. What was the cost of repairs and fuel for these vehicles for operation of the machinery during the fiscal year 1960-61?

9. Have any of the park employees been employed on projects undertaken by contracts in the fiscal year 1960-61?

PAYMENT FOR USE OF GOVERNMENT PLANES

Question No. 440—**Mr. Caron:**

Since the Minister of Transport has assumed office, has any person or organization paid or agreed to pay for the use of government planes for any purpose whatsoever; and, if so, what are the names of such persons or organizations?

CIVIL SERVICE COMMISSION MANAGEMENT SURVEYS

Question No. 447—**Mr. McGee:**

Were there any requests made by departments of government or other emanations of the crown to the management analysis division of the civil service commission in the year 1961; and, if so, (a) which departments were involved (b) in each case, how many surveys were requested (c) in each case, how many surveys were completed (d) how many are still in progress (e) what were the dates that the results were forwarded to the departments concerned (f) what, if any, were the estimated annual savings in each case?

USE OF PRIVATE MANAGEMENT CONSULTATION FIRMS

Question No. 448—**Mr. McGee:**

Is any department in the government of Canada or any crown corporation employing private management consultation firms, in the interest of greater efficiency; and, if so, which government departments are involved, and what are the names of the organizations which have been hired?

[Mr. Dinsdale.]

POWER

COLUMBIA RIVER—REPORTED STATEMENT BY JUSTICE MINISTER

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Justice I should like to ask the Secretary of State for External Affairs if he can comment on a statement reported to have been made by the Minister of Justice in Kamloops over the week end, wherein he revealed that British Columbia has made new Columbia river proposals which seem to represent a significant modification of the government's previous position.

Hon. Howard C. Green (Secretary of State for External Affairs): No, Mr. Speaker. I dealt with this question on Friday, and there is nothing further I can add today.

Mr. Pearson: Mr. Speaker, would the minister comment on the statement of the premier of British Columbia to the effect that the treaty should now be ratified; and will this desire on the part of the premier of British Columbia, coupled with the statement made by the Minister of Justice, modify the government's position in any way regarding parliamentary discussion and approval before ratification?

Mr. Green: No, Mr. Speaker.

EXTERNAL AFFAIRS

NUCLEAR TESTING—CANADIAN SUPPORT FOR COMPROMISE PLAN

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. In view of a report in the *Globe and Mail* today that Brazil intends to submit today a new compromise plan backed by Burma, India, Sweden, Ethiopia, the United Arab Republic, Nigeria and Mexico to break the nuclear test ban deadlock at the 17-country disarmament conference, would the minister assure the house that Canada will join with its commonwealth partners, India and Nigeria, in backing this plan?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the eight non-aligned countries tabled a suggestion in the disarmament conference this morning. I have not yet had a report giving the details, although we know just about what was in the proposal. I understand that the three nuclear powers are now taking this suggestion into consideration but as yet no one of the three of them has made any comment on

the particular proposal. The head of the Canadian delegation, General Burns, dealt with the question on April 12 and, if hon. members wish, it might be helpful to have a copy of his statement printed in *Hansard*. I have a copy here, and I would be very pleased to have it printed in *Hansard* should members so desire.

Mr. Herridge: Excellent.

Hon. Paul Martin (Essex East): A supplementary question. Is the minister in a position to say whether the representations made by Canada last week to the United States government were in any way inconsistent with the proposals made by the eight power neutral bloc at Geneva?

Mr. Green: Mr. Speaker, I do not think it would be appropriate for me to try to answer a question of that type. We had general discussions in Washington and London and there have been various other discussions in addition, of course, but it is almost impossible to compare those discussions now with the proposal made by the eight unaligned nations, particularly as I do not have in detail the suggestions made by those nations.

Mr. Speaker: Is the house agreed that the statement of General Burns referred to by the Secretary of State for External Affairs be printed as an appendix to *Hansard* today?

Some hon. Members: Agreed.

[*Editor's note: For text of statement referred to above, see appendix.*]

INDUSTRY

PINCHER CREEK, ALTA.—INQUIRY AS TO ESTABLISHMENT OF HEAVY WATER PLANT

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I should like to direct a question to the Minister of Veterans Affairs, who reports to the house on matters pertaining to atomic energy. In view of the enormous quantities of cheap, metallurgical strip coal available in the Crowsnest pass and the almost unlimited quantities of hydrogen sulphide and other natural gases available in southwestern Alberta, has the minister anything to report to the house and to the country on the progress being made in establishing a heavy water industry at Pincher Creek in southwestern Alberta?

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, this is in the field of commercial enterprise. I understand that several companies are investigating the possibility of getting a site to establish a plant to produce heavy water. No definite information has reached me yet as to what site might be chosen or when work might start. We hope there will be a good demand for heavy water in the near future if the success of the atomic energy program in Canada proves to be as great as is expected at the moment, now that the N.P.D. station has become established at Rolphton, Ontario and will be assuring a supply of electric power for the grid within a few months' time, and when the development of the great Candu station near Kincardine, Ontario is completed within two years' time. The means for making it are well known, and commercial enterprises are interesting themselves in the possibility of doing something along that line in Canada.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask a supplementary question. Can the minister say whether, to his knowledge, any consideration is being given to the establishment of such a plant in Nova Scotia, particularly in Cape Breton?

Mr. Churchill: Well, I understand that more than one area in Canada has been making representations to the various commercial firms to consider their area for this purpose. I think similar suggestions have come from the coal fields in Saskatchewan and also in British Columbia.

Mr. Pickersgill: May I ask the minister a further supplementary question. Can he say whether the capital grants commission, which the government promised in 1957 to set up, would consider assisting a project of this kind in Cape Breton?

Mr. Churchill: I have no knowledge of that particular problem at the moment.

Mr. H. W. Herridge (Kootenay West): May I ask a supplementary question. In view of the fact a former government sold a heavy water plant in Canada for a song because there was no future in heavy water manufacture in Canada, and in view of the interest now in the establishment of a new one, would the minister say this was another indication of lack of planning by a capitalist society?

Mr. Speaker: Order. The hon. member appears to be anxious for a debate. The quickest way of achieving that would be to ask no questions.

CANADIAN WESTINGHOUSE—REPORTED INTENTION TO CLOSE AIR BRAKE DIVISION

On the orders of the day:

Mr. Walter Pitman (Peterborough): I have a question to address to the Prime Minister. In his absence perhaps the Acting Prime Minister could take it as notice.

Has the government received a petition from local 504 of the united electrical, radio

and machine workers of America demanding pressure with regard to the decision of Canadian Westinghouse to close its air brake division, and could the Acting Prime Minister indicate whether any action is contemplated?

Hon. Howard C. Green (Acting Prime Minister): I will have to take that question as notice.

MINES AND TECHNICAL SURVEYS

RESEARCH INTO NON-NUCLEAR USES OF URANIUM

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Minister of Mines and Technical Surveys whether he has had an opportunity yet of obtaining a reply to a question I asked him on April 12 regarding a statement made by Dr. John Convey of his department on the non-military uses of uranium?

Hon. Jacques Flynn (Minister of Mines and Technical Surveys): I hope to be able to give an answer to the Leader of the Opposition tomorrow.

TELEVISION

MAGDALEN ISLANDS—REQUEST FOR EXTENSION OF FRENCH NETWORK

On the orders of the day:

Mr. J. R. Keays (Iles-de-la-Madeleine): I have a question for the Minister of National Revenue, who answers to parliament for the C.B.C. Since the French television services have been extended now as far as Moncton on the east coast, when can the people of the Magdalen islands hope to have this service extended to them?

Hon. George C. Nowlan (Minister of National Revenue): The hon. member and many others have been urging that television facilities be extended. I have asked for a report from the C.B.C. in respect of plans which I know they have under study at the moment for the extension of this service. I am not in a position to give him a definitive answer this afternoon, but I will attempt to do so tomorrow.

PUBLIC SERVICE

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to direct a question to the Minister of Finance relating to the urgent requests by wire received from superannuated civil servants' organizations requesting consideration of an increase in their pensions. I have sent the minister notice of this question, Mr. Speaker.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, in addition to the question put by the hon. member, the hon. member for Fraser Valley also indicated to me that he was interested in this problem and proposed to ask me about it. There has been and there is currently, I think, a great deal of misapprehension on this subject. The fact is that there is no surplus available in the superannuation account for the payment of any enlarged superannuation pensions to persons who have been retired.

There was an increase provided in 1958 under an item in the estimates, and again by statute in 1959, for persons who had previously retired. Legislation is to be found on the subject in the pensions adjustment act of 1959, and the provisions made by parliament for those additional or supplementary pensions under that legislation are entirely from unappropriated moneys in the consolidated revenue fund, and none comes out of the superannuation account.

AIR TRANSPORT

CANADA-ITALY—EXCHANGE OF INSTRUMENTS OF RATIFICATION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Secretary of State for External Affairs or to the Minister of Transport, arising out of a press release that an exchange of instruments of ratification took place on Friday between Italy and Canada with reference to a bilateral air agreement signed in November, 1959. My question is, why did it take two years to exchange the ratification notes of an agreement signed in 1959, and why is it that Alitalia is given non-stop or onward rights from Montreal to Chicago and from Montreal to Los Angeles, yet no Canadian air carrier has similar rights in the United States?

Hon. Leon Balcer (Minister of Transport): I am not in a position to say why it took that much time. I understood that it was the practice that the actual signing of documents in such treaties takes a certain amount of time. This air agreement was signed at the time to provide a certain advantage for Canadian carriers in exchange for certain advantages granted to Italian carriers. Rome is an extremely important air centre and Canada had to offer important advantages in order to get rights there. As my hon. friend knows, the discussions that take place at the time of signing such agreements are of

a give and take nature. In exchange for the advantages Alitalia got, our carriers also secured a very good advantage.

Mr. Chevrier: As a supplementary question, could the onward rights from Montreal to Chicago and Los Angeles not have been held up in the same way that the rights to London were held up on behalf of C.P.A.?

Mr. Balcer: At the time Canadian carriers were pressing to get this advantage for themselves. We were interested in getting into Rome and we also secured some fifth freedom rights between Paris and Rome, even though those rights have not been exercised yet. With regard to the service between Montreal, Chicago and Los Angeles, my department has already made strong representations to the United States government on the matter. Canada's stand was expressed in very clear fashion at the meeting which took place last June, and we hope to have more discussions with the Americans on the subject.

Mr. Chevrier: You have been at it for a year, now.

TRADE

POTATOES—POSSIBLE ENTRY INTO U.K. MARKET

On the orders of the day:

Mr. Heath Macquarrie (Queens): I wish to direct a question to the Minister of Trade and Commerce. Can the minister report on the prospects and possibilities of gaining entry to the British market for Prince Edward Island potatoes?

Hon. George H. Hees (Minister of Trade and Commerce): Yes, Mr. Speaker. I anticipated that this question might possibly be asked today. For the past several years the British government has prohibited the importation of table stock potatoes from North America for plant protection reasons. Throughout the present potato shortage in northwest Europe, including Britain, the officers of my department in both London and Ottawa have impressed on British authorities the high quality of Canadian table stock potatoes, and have sought the most sympathetic consideration.

We have been advised that the British ministry of food and agriculture is giving the closest consideration to these representations, running back over several weeks. While we are hopeful that the strong representations we have made will be favourably received, it must be borne in mind that the decision is one for the determination of the United Kingdom government.

Inquiries of the Ministry

COTTON TEXTILES—SHIPMENTS FROM HONG KONG VIA UNITED STATES

On the orders of the day:

Mr. John Smith (Lincoln): I wish to direct a question to the Minister of National Revenue. I have sent a notice of my intention to ask it. My question arises from an announcement made by President Kennedy on March 19, 1962 that large shipments of cotton textiles en route to the United States from Hong Kong, if landed in the United States would be placed in bond for transshipment to other countries.

Would the minister advise the house what steps are being taken to prevent large shipments of Hong Kong textiles, landed in bond in the United States, being transshipped into Canada, circumventing the Canada-Hong Kong quotas and flooding the Canadian market?

Hon. George C. Nowlan (Minister of National Revenue): As my hon. friend has said, he sent me notice of this question a short time ago. I can only answer briefly that having been advised that the government of the United States contemplated this action, my officials notified all collectors of customs throughout Canada that any entries from Hong Kong should be taken subject to amendment. I think that was on March 21. Then on March 25 they were advised that with regard to any entries which were accepted the rates of duty would be imposed as if they came from the intermediate country, which in this case would be the United States, and that the fair market value would be that of the intermediate country instead of the country of origin. Then a little later on, I think it was around April 1, we notified the collectors with regard to certain specific items on which fixed values for duty would be imposed in addition to any other steps which might be taken.

I think the department has therefore taken such action as is necessary or feasible or permissible to protect the industry in this country.

FLOODS

MANITOBA—INQUIRY AS TO AGREEMENT ON RED RIVER CONTROL PLAN

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I may ask the Minister of Northern Affairs and National Resources whether an agreement has yet been signed with the government of Manitoba for the construction of the Winnipeg floodway, which the premier of Manitoba assured the legislature would be signed before the dissolution of this parliament.

Inquiries of the Ministry

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): There are so many activities going on in my department that we have to consider them one at a time. I can assure the hon. member that this has high priority and will be settled quite soon.

MANITOBA

NEW SITE FOR TOWN OF CHURCHILL

On the orders of the day:

Hon. D. J. Walker (Minister of Public Works): In reply to a question asked by the hon. member for Bonavista-Twillingate on April 13, may I say that no effort has been made to move the town of Churchill. The federal government has, however, made known its willingness to contribute two thirds of the cost of servicing a new town site. Negotiations are being carried on with the province of Manitoba on this basis.

Hon. J. W. Pickersgill (Bonavista-Twillingate): A supplementary question. Is the minister aware that as long as this question remains unsettled there is a great deal of uncertainty among the population; and would the minister endeavour, therefore, to expedite a decision?

NATIONAL DEFENCE

SPECIAL ALLOWANCES FOR SERVICE PERSONNEL ABROAD

On the orders of the day:

Hon. Paul Hellyer (Trinity): I wish to direct a question to the Minister of National Defence. Has the hon. gentleman completed the survey to which he referred on January 26, and is he now in a position to announce an adjustment in pay and allowances for members of the armed forces serving overseas which will restore their purchasing power to the level enjoyed before the devaluation of the Canadian dollar?

Hon. D. S. Harkness (Minister of National Defence): Action has been taken in that regard. Troops serving in Germany will receive an increased allowance to compensate for the change in the value of the Canadian dollar as compared with the deutschmark. In addition, allowances will be provided to all troops serving overseas in lieu of family allowances and at the same rate as family allowances are paid in Canada.

Hon. Paul Martin (Essex East): May I address a supplementary question to the Secretary of State for External Affairs. Has a similar arrangement been made with regard to civilians employed in the government service of Canada abroad?

[Mr. Pickersgill.]

Hon. Howard C. Green (Secretary of State for External Affairs): I think provision had previously been made for the officials of the Department of External Affairs.

(Translation):

SHIPPING

ST. LAWRENCE RIVER—END OF STRIKE OF PILOTS

On the orders of the day:

Mr. Paul Lahaye (Champlain): Mr. Speaker, I should like to direct a question to the Minister of Transport.

Could the minister tell the house whether he has advised the hon. member for Laurier that the pilots' strike is over?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I am rather surprised that the hon. member for Laurier has not asked me any question about that.

AIR TRANSPORT

MAGDALEN ISLANDS—REQUEST FOR IMPROVED SERVICE

On the orders of the day:

Mr. J. R. Keays (Iles-de-la-Madeleine): Mr. Speaker, I should like to put a question to the Minister of Transport. This might also facilitate the transportation of potatoes from Prince Edward Island to the Magdalen islands.

Could the minister inform the house whether we may expect that the air service to the Magdalen islands will be improved?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, being aware of my hon. friend's concern in an improved air service between Magdalen islands and the mainland, I am pleased to tell him that I have just been informed that starting at midsummer, Maritime Central Airways will make available to travellers an aircraft which will be able to carry 52 passengers and fly at 316 miles an hour. That will be a marked improvement; my hon. friend who has worked so hard to get that improvement for his constituents will no doubt be glad to hear the good news.

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): Mr. Speaker, could the minister tell us whether that air service will be inaugurated before, during or after the electoral campaign?

Mr. Balcer: Mr. Speaker, we never bother about such things.

Mr. Pigeon: It will not take 22 years.

(Text):

VOCATIONAL TRAINING

GANANOQUE, ONT.—REQUEST FOR PROVISION OF FACILITIES

On the orders of the day:

Mr. John R. Matheson (Leeds): May I address a question to the Minister of Labour, of which he has notice. Is the government giving consideration to the request of the Gananoque board of education for the construction of vocational training facilities?

Hon. Michael Starr (Minister of Labour): Yes, we are, Mr. Speaker.

NORTHERN AFFAIRS

ARCTIC PATROL OF WELFARE WORKERS IN CHARTERED AIRCRAFT

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask the minister of northern affairs whether in between his many other preoccupations he has been able to find an answer to the question I put to him on April 6, as to whether a government or government chartered aircraft was carrying welfare officials around the northwest territories and, if so, what the purpose of this voyage was?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): The question was answered the other day. The answer was no.

TRANSPORT

PORT ARTHUR—OPENING OF NEW SEAWAY TERMINAL

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I wish to ask the Minister of Transport or the Minister of Public Works a question. It is parochial, but it is creating deep interest at the lakehead. I should like to know when the official opening of the new $8 million seaway terminal at Port Arthur is to take place.

Hon. D. J. Walker (Minister of Public Works): I shall be happy to look into that matter and arrange a time suitable to the Prime Minister and to the hon. gentleman.

AIRPORTS

MALTON—INCREASE IN PARKING CHARGES

On the orders of the day:

Hon. Paul Hellyer (Trinity): I wish to direct a question to the Minister of Transport. Is the minister aware of the fact that parking charges at Malton airport have been increased from $1 to $1.50 a day? If so, would he advise the house how the 50 per cent increase is justified in view of the fact that there has been no improvement in the service?

Hon. Leon Balcer (Minister of Transport): I was not aware of this increase. I imagine there must be some excellent reason behind it, but I will inquire.

Mr. Hellyer: Will the minister take the same forthright action in this respect as President Kennedy took with respect to United States Steel?

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ST. LAWRENCE UNIVERSITY STUDENTS

On the orders of the day:

Mr. R. J. McCleave (Halifax): Mr. Speaker, I have a question for the Acting Prime Minister to which I have not supplied him with an answer. I would draw to his attention and the attention of the house the presence in the rear gallery of members of the political science classes of St. Lawrence University in Canton, New York, with their distinguished professor, Professor Willoughby, who are making their annual visit to Canada.

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM—INQUIRY AS TO REHABILITATION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Acting Prime Minister. In view of the announcement in the press that the Minister of Justice intends to visit Trail to discuss the question of a long term approach to the terrorism and rehabilitation of the Sons of Freedom with the Kootenay boundary committee on Doukhobor and Canadian affairs, has the Canadian government decided to accept some responsibility in respect to the long term rehabilitation of these people?

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, I would hesitate to agree that either this government or the one before it had not accepted any responsibility for the Doukhobor problem. I think this has been a great worry for governments of Canada for quite a long time. The hon. member's question is posed in such general terms that I can make no definite statement on it today. When there is an announcement to be made it will be made in the usual manner.

SHIPPING

UPPER NIAGARA RIVER—SAFETY MEASURES FOR SMALL BOATS

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the fact

that the small boat season is almost upon us, and in view of the fact that in the upper Niagara river last year there were several fatalities in the use of small boats, can the minister advise the house whether the consultations among municipal councils, international bodies and his own department have resulted in any steps being taken by his department to ensure safety in the upper Niagara river?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the three groups mentioned by my hon. friend have succeeded in agreeing on some recommendations which have been sent to Washington by the United States corps of army engineers. A copy of the recommendations has also been sent to Ottawa. We expect both governments to approve these recommendations, so that we should be in a position to put them into force very early in the spring season.

COMBINES

RAW FISH AND DRUGS—REPORTS OF INQUIRIES

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the parliamentary secretary to the Minister of Justice. Perhaps my question could be taken as notice. Could the house be informed of the position of the litigation with respect to the proposed restrictive trade practices commission hearing into the production, distribution and sale of raw fish in British Columbia? At the same time could an indication be given as to when we may expect a report from the commission on its inquiry into the pharmaceutical industry?

Mr. Thomas M. Bell (Parliamentary Secretary to the Minister of Justice): Mr. Speaker, I will see that a report is given with respect to the first part of the hon. member's question. I will also check into the latter portion of his query.

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

DEPARTMENT OF EXTERNAL AFFAIRS

A—Department—

696. Canadian representation at international conferences—further amount required, $115,000.

Mr. Martin (Essex East): Mr. Chairman, last Friday afternoon I sought certain clarifications with respect to Canada's policy on the cessation of nuclear tests. The minister seemed to indicate that he wished to make a statement. I do not wish to proceed if he now wishes to make a statement. At that time we were called to order because it was five o'clock. Does the minister wish to comment?

Mr. Green: Perhaps the hon. member would repeat his question.

Mr. Martin (Essex East): The minister will remember that at nearly five o'clock, for purposes of clarification, I had asked certain questions more in the form of a commentary than interrogation, to ascertain the position of the government in the matter of nuclear tests. The minister was about to rise, but then the presiding officer reminded us that it was five o'clock. I have some other observations to make, but I now wish to give the minister an opportunity to speak if he wishes to comment on what I said.

Mr. Green: Please proceed.

Mr. Martin (Essex East): On Friday I had indicated that the government of the United States had announced its intention to resume nuclear tests notwithstanding the fact that certain governments attending the disarmament conference, including Canada, have publicly indicated their opposition to such tests. I had inquired of the government whether in the representations it had made it had taken into consideration facts about which there has been public comment, namely that the Soviet union has acquired, if not additional power to its deterrent strength, additional information with regard to antimissile missile operations. I indicated that important personalities in the United Kingdom had felt that notwithstanding their earlier views, the United States was now in a stronger position to resume tests because of this declared fact.

I also went on to indicate that I had understood that the government's position as stated by the Secretary of State for External Affairs from time to time was that the government was of the view that there should be no resumption of tests whether or not a system of control was agreed on between the two main powers, the Soviet union and the United States. I suggested if that was still the case, as I understood it was, that position was different from some positions now being taken by political groups in the United Kingdom other than those now in office.

Since Friday a further development has taken place. While there were some questions asked on orders of the day, all we are given the opportunity to do under that procedure is to ask the minister certain questions to which he may give a reply, but there is no opportunity of commenting on the reply. It seems to us in this party that in view of the importance of this matter, and in view of the fact that we are about to dissolve, we should have a more definitive statement of the government's position with regard to these tests.

The minister is now reinforced in his view by the assertion made by the Prime Minister a few days ago in Montreal that the government's policy was that there should not be a resumption of tests whether or not an agreement was reached with the Soviet union. The positions of the Prime Minister and the Secretary of State for External Affairs on that point are identical. Is that the position of the government? If it is we are entitled to have it affirmed, particularly in the light of the different view taken by the eight countries whose representatives are attending the Geneva conference, together with Canada and the great powers.

In today's press and in yesterday's United States press we are told that the eight nation neutral bloc is putting forward proposals in order to try to bring about a compromise between the positions taken by the Soviet union and the United States. We are told that the plan of these neutralist nations provides a form of inspection and control somewhat less than the more comprehensive plan originally put forward. Nevertheless, they have put forward a plan for some type of control. The position of Canada with regard to the eight nation bloc is that she has not formally associated herself with those eight nations which propose a system of controls.

What I think the country would like to know from the minister—and I ask this question not for political purposes but for purposes of information—is whether Canada takes the position that there should be no resumption of nuclear tests whether or not an agreement is reached with the Soviet union, or whether or not we have a system of control. Can we not say first of all that we support the position taken by these neutral nations? Surely the government would not be taking an inconsistent position if that stand were taken, and if we assert that there should not be a resumption of tests whether or not controls are agreed on. The minister undoubtedly must have had good reasons for wishing to make representations to the United States alone, as it is reported the government did through the head of our mission in Washington last week or the week previous. I think, however, that the House of Commons and the country are entitled to have from the minister a more detailed statement than we have had from him thus far on this extremely important matter.

Then when the minister is replying I think he ought to give us some indication as to what are the prospects of the disarmament conference. How long is this conference likely to go on? What will be the consequences if the resumption of tests by the government of the United States takes place as indicated by the President? On the order for motions we had a report from the minister when he returned from Geneva two weeks ago last Friday. However, we have not had the opportunity of an across the floor discussion with regard to what has gone on at the disarmament conference since that time, or indeed since the conference began.

I understand the Prime Minister spoke in Montreal today. While I have not before me the full text of what he said, I understand that the Prime Minister did say that the developments in Geneva were such as not to offer any cause for optimism. The minister has certainly taken issue with that view. I am not quarrelling with the minister. However, before the conference began the minister said that he was optimistic as to the results; and during the conference from time to time, in answer to interrogations put to him by newspaper men, he continued to sound an optimistic note. I always felt that the realities of the situation, however, warranted a tempering of the minister's optimism. While it is desirable that we should pursue relentlessly our objective of comprehensive disarmament or of arms control, we should not be blind to the difficulties involved. It seems to me that the optimism of the minister in this regard is not shared in the appraisal made of the conference to date by the secretary of state for foreign affairs, Mr. Rusk, and the statement of Lord Home following the return of these two gentlemen from the conference in Geneva. I think the minister would serve a useful purpose today if he indicated exactly what his appraisal is of the situation.

Having said that I thought the minister ought to temper his optimism with an appreciation that was realistic, I should not wish to give him the opportunity, which his ingenuity sometimes affords of saying that he is for disarmament, thus giving the impression that only he is for it. Everybody in this house is for disarmament provided we have present the conditions of control that will not prejudice the security of this country or of other countries. However, I believe the minister cannot satisfy the feeling that many people have on this matter if he simply says that he is optimistic and that we must keep negotiating and trying to bring about an agreement on disarmament. Of course we must do that. We applaud the minister fully in his efforts to see to it that there is the fullest discussion and that this present conference exhausts every opportunity of trying to bring about an accord with the Soviet union on disarmament. We applaud that course fully. However, having said that, we are entitled to have

from the government a mature statement as to what is really involved and what are the prospects.

The United States certainly has not given any indication that would warrant the assurance the minister has given, nor has the United Kingdom. The minister has not indicated what is the position of France. A few days ago he said that he hoped that France would return to the conference table. The fact is that France has not returned to the conference table. France is carrying on nuclear testing. The Soviet union has not denied that, in the absence of certain settlements of a political character, it sees no opportunity of reaching an agreement in the field of disarmament.

Is that the situation? If that is the situation, do we now take the position that the best we can get is some form of arms control? If we take that position, what are the possibilities of an agreement on the limited aspect of arms control? On one occasion the minister said that he was not interested in arms control but that what he was interested in was disarmament. I applauded him at the time.

Mr. Green: I do not think I ever said that.

Mr. Martin (Essex East): If my hon. friend looks back at the records he will find that last session he did say that. I asked him whether it was the policy of the government not to pursue disarmament comprehensively but to recognize that the most we could get was a form of arms control. I refer to arms control based upon the concepts that we have had outlined for us by authorities in the United States such as Kissinger, Otto Kahn and the like. These are matters that I think are of great concern to the minister and to all who are interested in these matters. We would like to feel that we are not simply engaging in an emotional outburst whose objective is not going to be realized. I say again, we believe that we should have disarmament; we believe that we should pursue that course relentlessly.

Some will wonder whether or not Canada is pursuing that course when we refuse to become formally associated—there may be good reasons for not doing so, which the minister will indicate—with those countries in the eight nation neutral bloc which in their effort to break the deadlock between east and west are proposing a modified form of control. It seems to us that Canada, taking the position that there should be no resumption of tests with or without controls, should not have found it difficult to associate itself at the conference with those countries which are trying to bring about some agreement along these lines. These are some of the questions that are in our minds and as to which I think we should ask the minister to give further clarification at this time.

Mr. Regier: Mr. Chairman, I have often been reprimanded for endorsing the attitudes taken by our Secretary of State for External Affairs on international matters. However, I have no apologies to make in this regard. If the New Democratic party must lose the riding of Vancouver Quadra in the interests of world peace, we will do so happily. I endorse the attitude and the approach taken over the years by our Secretary of State for External Affairs, and place them above and beyond all political considerations, and I believe that the bulk of the membership of the party to which I belong will agree with the basic approach I am taking.

I believe that the interests of world peace are paramount at this time, and that in the main the Canadian people, regardless of politics, are very proud of the positions that have been taken publicly not only here but abroad by our Secretary of State for External Affairs on the really important issues that are facing mankind. I fail to understand the continued questioning and the aspersions of doubt cast upon our Secretary of State for External Affairs by the Liberal party. I fail to appreciate what their attitude is on world affairs. It still seems like the old Pearson attitude, one step forward and two steps back.

I have had the very great privilege, one that has been accorded to very few members of parliament, of being attached to the Canadian delegation to the United Nations for the past five years. I believe only the leader of the official opposition has an equal record in this regard. I have noted the growing prestige of the present Secretary of State for External Affairs in the councils of the world. Whether other nations agree or disagree with the opinions he expresses, they welcome this breath of fresh air founded on that basic honesty which is so much needed in the world today.

I listened for some time to the hon. member for Essex East. I failed to note in his remarks any expression of opinion, but I believe that over the years those responsible for the welfare of the world have heard honest expressions of opinion from the Secretary of State for External Affairs. This is most refreshing, both to them and to the Canadian people.

At this time I should like to express only one opinion. I am not too sure that the minister is in the proper place at the present time. I think he should be in Geneva, because I feel he could make a useful contribution. When he was last there I was on the point of sending him a telegram to plead with him to remain at the task and not to return to

Canada, because he would serve the interests of Canada and of all mankind more by remaining in Geneva than by returning to the, relatively speaking, rather doubtful political debates in the Canadian House of Commons.

At this time I should like to make a submission to the minister. I do so in all humility, and I also plead a good deal of ignorance. I am not too sure but that the bulk of the leadership in the Canadian civil service are more interested in the return of the Liberal party to office than they are devoted to serving the interests of the nation.

Some hon. Members: Shame.

Mr. Bell (Carleton): That is a slur on the civil service. Shame.

Miss LaMarsh: Shame.

Mr. Regier: It may be a slam against the civil service, but I should like to inquire from the minister whether he is convinced that those who represent us in the international field really represent the attitudes and approaches of the minister or whether they represent the former regime. I have had cries of "shame" thrown at me. I accept them realizing the source from which they came. I am making this appeal to the government of the day because the issues are so crucial. I believe that at least 90 per cent of the Canadian people are deeply appreciative of the attitudes taken by the Secretary of State for External Affairs both at the United Nations and at other international conferences, and I would hate to think he was receiving anything less than the wholehearted support of all those who represent him in his absence and who advise him when he is present at these international gatherings.

Mr. Green: Mr. Chairman, first may I thank the hon. member for Burnaby-Coquitlam for his very kind words in reference to my work as Secretary of State for External Affairs. They are probably a little biased because we both come from the west coast and have been friends for a long time. In any event they are very encouraging. I have had encouraging messages also from hundreds of people in all parts of Canada with regard to my efforts to further the cause of disarmament and to ensure peace. I could not agree more heartily with the hon. member for Burnaby-Coquitlam than when he says this question of world peace is all important. It is the one vital issue today, because if we get into a nuclear war there is not going to be any world left. I think it is just that important that the representatives of every country should do their utmost to see that this utter folly of nuclear war does not come to pass.

The hon. member has made some reference to the officials of my department. May I say that it would have been impossible for a minister to have had finer co-operation than I have had from the foreign service officers and from those in the department who do not come within the foreign service officer grade. These men and women, I have found, are devoted servants of the country. I think they do an excellent job. One of the outstanding diplomats from abroad told me a year or two ago that man for man there was no foreign service in the world to equal that of the Canadian foreign service. In my experience I have found the representatives of no other country to be any better, and I think none of them were as good. The hon. member for Burnaby-Coquitlam, therefore, should not worry about that particular aspect of our foreign affairs situation.

In so far as the hon. member for Essex East is concerned, he should know, and I am sure he will know eventually, that anyone who was 22 years in opposition and who managed to survive, is not easily discouraged. By the time I have had the privilege of sitting over here watching the hon. member for Essex East across the way for 22 years he will be a lot less ready to give in than he seems to be today on the question of disarmament or on any other question.

The disarmament conference in Geneva is working on three fronts. One is negotiation on a disarmament treaty. The United States do not like to have it called a treaty because they have a problem with congress in connection with treaties. They call it a basic understanding, or some such thing. In any event, the plenary session is working on the terms of the disarmament agreement and some progress is being made. My dispatches this morning indicate a statement from one of the Soviet negotiators that he thought there was real progress being made in the plenary session on this question of a disarmament agreement. The United States and Russia, with quite a lot of prompting from everybody else, have almost reached agreement on the terms of the preamble. Now the main work on the first part of that disarmament treaty is being undertaken.

On the second front an attempt is being made to reach agreement on collateral measures, namely the prohibition of war propaganda. Hon. members will recall that I pointed out that while the disarmament agreement was being considered in the plenary session the group, sitting as a committee of the whole, was going to consider parallel measures which would not necessarily be written into a disarmament agreement. The United States and Russia agreed that the first subject would be war propaganda. Canada

asked that the first subject be outer space, but we did not get our point and we have not got it yet. However, we are still pressing to have outer space considered in that committee. I hope one of these days it will be, because I think it is extremely important to agree on a declaration that outer space will not be used for the launching of weapons of mass destruction. On the question of war propaganda this committee of the whole has had several meetings and has reached agreement on part of a declaration about war propaganda. They have not yet, however, reached complete agreement.

Then on the third front there has been a subcommittee of the three nuclear powers dealing with the question of a nuclear test ban treaty. As yet there has been no agreement. I suggested that some of the eight unaligned nations should be added to that subcommittee of three, but the three nuclear powers would not agree to it. They are carrying on in that subcommittee and reporting regularly to the conference as a whole. The difficulty, as I pointed out, has to do with verification. The United States have said that it will not have any more nuclear tests if agreement can be reached on the question of verification. Russia has said she does not want verification if it involves sending anybody on Russian territory, and all of us have been trying to bridge that gap. Not only the eight unaligned countries but Canada as well have been doing their best. We are one of the four western powers represented at the conference, so we are in a position to talk to the representatives of Britain and the United States. There have been various suggestions made.

The suggestion made today by the eight unaligned countries is one which we hope will be very carefully considered by the three nuclear powers. As yet it has not been rejected, and I think it would have been a great mistake to reject that proposal out of hand. I am very glad that was not done in the conference at Geneva, because if by any chance it brings about a meeting of minds among the three nuclear powers, then certainly the conference will be over a very big hurdle and this may make all the difference between the success and failure of the conference. If a series of nuclear tests is started now no one knows where it will end, and no one knows what the effect will be on the conference itself.

From the start Canada has tried to keep attention focused on the issues that matter. We stipulated seven different fields in which we thought is would be fairly easy to reach agreement between the Russians and the Americans.

[Mr. Green.]

Mr. Regier: Would the minister advise us what is the latest proposal that he hopes will not be dismissed out of hand?

Mr. Green: I have not got the final details of the proposal, but it involves the use of the national detection facilities of all the nuclear powers and of any other countries which wish to participate, under the control of scientists rather than the military. The idea is to set up a scientific group which would be able to check on blasts. If necessary it would be under centralized control so that scientific teams could be dispatched to find out whether a seismic disturbance had been an atomic blast or an earthquake or had been caused by some other phenomenon. Generally speaking, it is proposed to use the scientists rather than other regular national bodies, and the thinking behind this is that the scientists in the east and the west have co-operated much more fully than other groups in those respective areas.

No one can say whether this proposal will meet the wishes of the Russians, Americans and British but, as I said, it is a proposal that deserves the most careful consideration.

In addition to these three fronts there is another front right outside the disarmament conference, and that is the question of Berlin. While I was in Geneva there were extensive consultations among the foreign ministers of the United Kingdom, the United States and the Soviet union on the problem of Berlin. Many hours were taken up in these discussions, and today in Washington the United States secretary of state begins talks on Berlin with the Soviet ambassador to the United States, these being a continuation of the talks which took place in Geneva. It may be that the first break will come on the question of Berlin, and it may be that there will be an agreement which would involve Berlin and nuclear tests. I do not know, but I think it is hopeful that these talks are proceeding both in Washington and at the disarmament conference in Geneva. Looking back to last September one must realize that at that time nobody was talking and everybody was threatening. It is very clear that the situation today is much more promising than it was at that time.

The hon. member for Burnaby-Coquitlam has suggested that I should have stayed in Geneva, but there is a practical difficulty involved in following such a course. There is not much sense in one foreign minister staying in Geneva. If the others stayed then it would be a different matter, but for one foreign minister to stay would not mean any progress. He would quickly use up any effectiveness he had were he to follow that course. I would have preferred to see all

the foreign ministers stay there until they would reach agreement on something. In fact I think they would have reached it much more quickly than the delegates now remaining there. That is another good argument in favour of having a heads of state meeting in Geneva, but the danger in that is that they might disagree. That would be much worse than if they did not go there because, should they disagree, then that is the optimum in disagreement. However, I am prepared to go back to Geneva the first minute I think it will do any good.

I am afraid I can never cheer up the hon. member for Essex East about the disarmament situation, but I have not been blindly optimistic nor do I ignore the difficulties. I do not suppose any Canadian secretary of state for external affairs ever faced more difficulties on one issue but, though I am not certain what results we will achieve, there is one thing I am sure of and that is that we are going to keep on trying. Nobody will be able to say that the present government did not realize the seriousness of the world situation in 1962, and that it did not do everything it could to bring sanity back into this crazy world.

When one thinks of great nations threatening each other, and that were the threats carried out it would mean practical extinction with the survivors going back to live in trees or like muskrats in mud banks, then one wonders how much sense there is in human beings. However, I do not believe the people of the world want any of this nonsense. They want to be able to live in peace, to bring up their families in peace and let their children make a worth-while contribution in the world. Certainly that is the desire of every Canadian and of those who carry the burden in all nations of the world. For our part we shall do our best to see that they get a chance.

Mr. Macdonnell: I want to make just one or two brief comments on the speech made by the hon. member for Burnaby-Coquitlam. I greatly admired the first part of his speech, in which he expressed a wholehearted and unselfish desire for the success of the Secretary of State for External Affairs, even to the political injury of himself, but I greatly deprecate what he said about the civil service. I shall not say any more about that, as the minister has answered that part of his speech better than anybody else could.

As regards the remarks of the hon. member for Essex East, he seems to fear that perhaps the Secretary of State for External Affairs is inclined to be unduly optimistic and perhaps even a bit of a visionary. The hon. member is old enough to remember the first world war, and I am sure he remembers what was said about Lloyd George by one of his colleagues; that he was "the only man among us who never lost heart". Certainly Lloyd George had many faults but his courage made up for them, and of course Sir James Barrie has reminded us that courage is the lovely virtue. Therefore we must be thankful that the Secretary of State for External Affairs is a courageous and hopeful man, and we trust he will go on displaying his courage and optimism. When fighting was the order of the day he was in the front rank, and now when peacemaking is the order of the day he is in the front rank for that too.

Mr. Martin (Essex East): I regret, Mr. Chairman, to have contrasted the minister's optimism with what I think is the realistic position. I do hope the hon. member for Greenwood, who has devoted a long life to the study of international problems, appreciates that I was not in any way criticizing the minister's optimism or his fortitude or his patience. What I was trying to do was to get for this parliament an assessment by the minister of the facts involved in the current situation.

We all applaud the minister's patience. We all want disarmament, and I think I can say there is no one in this chamber at this moment who has worked toward that objective as persistently as I have myself. I was a member of the United Nations disarmament commission for three years. I think I know something of the frustration involved in this matter. Let the hon. member for Burnaby-Coquitlam and all the rest of us acknowledge the good intentions of the minister as well as the good intentions of the government in the field of disarmament, but let us not for a moment conclude that the realities of the situation are such as to warrant the view that there is any immediate prospect of agreement at Geneva.

This is not borne out by the statements of the foreign ministers of the United States, of the Soviet union or of the United Kingdom. It certainly is not borne out by the head of the disarmament operation in the United States, Mr. John McCloy. Hon. members who wish to indulge in an emotional sort of tribute to the minister might read what Mr. McCloy has to say about this situation. He does not offer the sanguine conclusion that is contained in these panegyrics to my worthy and esteemed friend whose objectives in the field of disarmament we all applaud. We are a parliament representing the nation. We are engaged in the discussion of a very serious problem. We should bring to this matter the maturity of expression which I think it warrants.

Mr. McCloy—and his position in this matter cannot be underestimated—has stated

in a recent issue of *Foreign Affairs* that there are very strong blocks standing in the way of immediate agreement not only with regard to disarmament but with regard to arms control, which is far removed from disarmament. He points out as contributing factors the failure of the test ban negotiations to which the shifting position of the Soviet union has contributed much. He mentions the disappointing attitude of the non-aligned nations at Belgrade and at the United Nations last fall. Some of these nations are represented in the 17-power discussions in Geneva. He also pointed out that another obstacle is the stated intention of his own government to resume atmosphere testing in the wake of the Soviet tests last fall. Another factor mentioned was the continued Berlin crisis. He might well have added the other unresolved major political problems which at this time divide east and west.

I believe Canada can make a contribution to this discussion, but I do not think we shall make that contribution if we simply go on saying that we are optimistic, that we believe we shall get disarmament at some date and if we unwarrantedly affirm to the people of Canada after these conferences take place and, indeed, concurrently with them, that progress is being made. Of real progress at this moment there is no evidence before us, and I do not think we serve the cause of disarmament by indulging in panegyrics which suggest the contrary to be the case.

I hope no one who follows me will suggest that I am in any way unappreciative of the good intentions of the minister. I am taking what I believe to be a realistic position. I recognize that when the hon. gentleman went to Geneva he had a difficult assignment. I have already indicated that I think he served a useful purpose at that conference by indicating the points of agreement between the Soviet union and the United States in particular. That was a constructive act on the part of the minister. I applaud him for it, as I did on another occasion. But this in itself does not indicate that we have made any progress in the matter.

What is the situation? The minister talks now about the possibility of an agreement on a preamble to what might become a document, a convention perhaps, to distinguish it from a treaty so as to bring it outside the compass of the Senate foreign relations committee or the congress of the United States. Surely, however, this will not mark real progress. Surely we are not going to believe that because we can agree on a form of words which does not have any operational effect, we have succeeded—

Mr. Green: There is also the first part of a treaty, the key to it.

[Mr. Martin (Essex East).]

Mr. Martin (Essex East): I would say that is worth while, but it would be nothing more than what the United States and the Soviet union agreed on September 20 last.

Mr. Green: Oh yes.

Mr. Martin (Essex East): They agreed then on a statement of principles, the kind of principles on which agreement is essential if there is to be comprehensive disarmament. The United States and the Soviet union agreed on those principles, and to the extent that an agreement of this kind is helpful, that may be regarded as an achievement. I know, too, that these principles have formed the basis of a United Nations resolution at the general assembly, and I applaud that, too. But all this is far away from anything which could be characterized as an advance in the field of disarmament. When we talk about advances in this field we should think in terms of an agreement on the limitation of forces, or an agreement to destroy nuclear weapons, or an agreement not to use nuclear power for anything but peaceful purposes. That is what we mean by substantial agreement.

I hope the hon. member for Kootenay West, for whom I have the highest regard and who is taking copious notes and whose interest in this matter is well known, is not going to rise again and say that the hon. member for Essex East is expressing a pessimistic note while indulging, on his own part, in a eulogy of the Secretary of State for External Affairs as if the latter had just died.

Mr. Herridge: You are certainly being pessimistic.

Mr. Martin (Essex East): I am not a pessimist. I am a realist. I am saying that much as we all wish to achieve disarmament it is wrong to convey the impression that a great deal has been done when in fact little has been achieved, notwithstanding the good intentions of civilized men such as the Secretary of State for External Affairs. We are not making any contribution to disarmament if we convey the wrong impression. I compliment the secretary of state for having taken the initiative he did in striving to indicate the areas of agreement. What the hon. gentleman might well have done is what Mr. McCloy did in this article to which I referred a few moments ago. He might have indicated not only the areas where there was agreement but as well areas where there were common interests, as well as areas where there are divergent interests. I am not going to mention them, but I think those assessments by Mr. McCloy are worth while and deserve careful consideration by all of us who at this time are considering this problem.

There is one point in Mr. McCloy's assessment of what are common interests that I have not heard the minister comment on at any time and which I feel deserves mention at this time. Mr. McCloy says that one of the common interests is the recognition by all parties of the necessity for the prevention of nuclear war by accident, miscalculation or failure of communication in another area of mutual interest. He pointed out that the Soviet union has indicated a growing awareness of the dangers of constantly increasing stockpiles of nuclear weapons and systems for their delivery. This, he indicates, represents a real problem of concern to both the Soviet union and the United States; not only the danger of war by miscalculation but the danger of destruction by the very existence of these constantly increasing stockpiles of nuclear weapons.

If we wanted any inducement for the minister's efforts and the efforts of other people in the field of disarmament we have it more strongly in this fact, as Mr. McCloy pointed out, than in any other. This, of course, is reason for the minister's concern, but it does not alter the fact that despite our concern, aroused and heightened by this circumstance and other facts, there is little evidence that progress is being made in this field at this time. We must work toward this end relentlessly.

I think the minister was right in the view he took about his own attendance at the disarmament conference. One has to judge the effectiveness of a personality at a given moment. I do not know what the circumstances were but I can readily appreciate what the minister said. We now have to have from the minister a statement about the government's policy concerning nuclear testing. Thus far today the minister has not given us a statement in this respect. I would not have pressed for this but for the fact that I have in my hand a Canadian Press story of today's date reporting a statement made by the Prime Minister on Saturday which is a contradiction of what the Prime Minister said a few days ago in Montreal. I believe it is also a contradiction of declared government policy.

I stated my own interpretation of the policy of this government on Friday last when I said, as reported at page 2971 of *Hansard*:

> I am assuming that notwithstanding this situation, the view of the government of Canada is that the United States should not resume tests, whether or not it is able to reach an agreement at Geneva with regard to the resumption of such tests. I understand further that the position of the Canadian government is as stated by the Secretary of State for External Affairs on a number of occasions, namely that the Canadian government believes that it is not in the interests of the present generation that these tests be resumed, whether or not there is a system of control agreed on.

That, I believe, is the government's policy. I take it that the Secretary of State for External Affairs, because he did not contradict my comment and because he has answered affirmatively on this point before, would agree that what I said is an accurate statement of government policy. I went on to say:

> On other occasions I thought the view stated by the Secretary of State for External Affairs was unequivocal, but that the position taken by the government through the Prime Minister was equivocal. The statement made by the Prime Minister to a gathering last week in Montreal was to the effect that Canada favoured no resumption of tests, whether or not there was an agreement with the Soviet union. Notwithstanding what may have been achieved by the Soviet union as a result of the explosions of last fall, the view of the government of Canada is that there should not be any resumption of tests by the United States.

I hope the hon. member for Kootenay West is listening to this, because he will follow me in this debate and I know of his interest in this vital matter. In other words the Prime Minister has said, as the Secretary of State for External Affairs has said, there should not be a resumption of tests whether or not there is a system of control. That is the position as we understood it on Friday last.

Today's Ottawa *Journal* carries under the heading "Policed A-Test Ban Must—P.M." the following Canadian Press dispatch:

> Prime Minister Diefenbaker has endorsed the western view that Russia's word cannot be trusted in a nuclear test ban without international control and inspection.
>
> "Any unpoliced test ban treaty would be dangerous to the survival of the western world", he said.
>
> "It would be a reliance upon the word of the U.S.S.R. without there being means to assure that their undertakings were being carried out."

That is the reported statement of the Prime Minister made on Saturday last. If true, it is in contradiction to the statement made by the Prime Minister a few days ago in Montreal. It is also contradictory to what the Secretary of State for External Affairs has continually said is the policy of the government of Canada, namely that this government believes there should be no resumption of tests whether or not there is a system of control agreed on. The Prime Minister stands today, in the face of this statement, in contradiction to the position stated on behalf of the government by the Secretary of State for External Affairs, and which was characterized in the words I used in expressing my view of what the government's policy was.

This is a fundamental and important matter. It is the kind of matter about which the various delegations that have been calling on the government and opposition parties have been concerned. This is involved in the great debate in the British Labour party

in England. This is an expression of disagreement with the position taken by Mr. Hugh Gaitskell. The position taken by the Prime Minister as reported today is like the amended statement of Mr. Gaitskell the leader of Labour party in England. The decision to resume tests by the United States now may be based on a military claim arising out of the knowledge the Soviet union may have acquired following detonations of last fall.

I think the minister owes to the house at once a statement explaining this reported statement by the Prime Minister. We are entitled to know from the government if its policy is that there should be no resumption of tests by the United States or by any country whether or not there is an agreed system of control. Is that the policy of the government? We were told it was the policy of the government and it was not denied on Friday last. I am sure it represents the policy of the Secretary of State for External Affairs, but it is not the reported policy of the Prime Minister, who has reverted to the position he took in Washington two years ago when he met with General Eisenhower, then president of the United States. They joined in a communique in which both affirmed that there should be a cessation of tests within a system of controls.

Following that communique I asked the Secretary of State for External Affairs if there was any change in government policy, and I was told that government policy continued to be that the Canadian government was opposed to the resumption of tests with or without controls. While the minister ingeniously sought to explain away the difference between the announced policy and the policy contained in the joint communique, it nevertheless remained for many people to feel that there was a difference of opinion not only between the Secretary of State for External Affairs and the Minister of National Defence but also between the Prime Minister and the Secretary of State for External Affairs.

The hon. member for Burnaby-Coquitlam said we expressed no opinion. We have expressed our opinion. Our opinion is that there should not be a resumption of tests. We did not, however, lay down absolutely the view that we could have an understanding of that kind endlessly without some form of agreement with the Soviet union. The Leader of the Opposition had proposed a moratorium notwithstanding whatever agreement might later have been made with regard to explosions in the atmosphere, in the laboratory or underground.

This is a vital matter, and as I have indicated a conflict of opinion appears to exist.

[Mr. Martin (Essex East).]

We are entitled to have now from the Secretary of State for External Affairs a clear and unmistakable statement as to what is the position of the government. Is this later statement as reported in tonight's paper the position of the government of Canada, namely that we cannot accept Russia's word in a nuclear test ban without international control or inspection? I am not saying that is a wrong position. However, I am saying that is not the position which this government has been affirming through its Secretary of State for External Affairs.

Mr. Herridge: I am very sorry I was called out of the chamber for five or ten minutes while the hon. member for Essex East was speaking. However, since my return I have listened with interest to his remarks.

We cannot agree with his suggestion that there has been no progress to date. From our point of view we simply compare the international atmosphere now with the tension that existed some months ago. We believe that even to keep talking is progress in this very dangerous world situation.

There is one thing that can be said, Mr. Chairman, even though the hon. member for Essex East may not agree. We have enjoyed peace during this period. To us that is a measure of progress. Because we believe that time is on our side, as Churchill said to keep talking is the main thing. The situation may be very frustrating and very discouraging on occasion. However, if the Secretary of State for External Affairs and others associated with him at Geneva and other places can keep talking and keep the peace in the meantime, we think time is on our side and that common sense will prevail because of the growing awareness of people in all countries on both sides of the curtain, as you might put it, and the people in Canada particularly that, as the Secretary of State for External Affairs has said on numerous occasions, war is international suicide.

Mr. Martin (Essex East): We all agree on that matter.

Mr. Herridge: We give the secretary of state full credit in this respect for his efforts. I suppose he will reply to the criticisms made by the hon. member for Essex East with respect to the recent statement of the Prime Minister. Actually, however, we are more concerned with the differences of opinion between the policies expressed by the secretary of state and the Minister of National Defence. They appear to represent two points of view.

We are not the only ones who recognize this fact. There are a great many groups in Canada who do so. I can tell you that we are doing all we can to assist the Secretary

of State for External Affairs to prevail and for his view to win the day in the long run. He knows there are large groups of good women in Canada who belong to various parties; I am speaking of the Voice of Women, and we have two or three quite active groups in my own constituency. I have no hesitation in saying that the members of the Voice of Women movement and the members of nuclear disarmament groups, those people have done more than any other organized groups in Canada in the last year to present their views to the Canadian people and to promote concern about world conditions and indicate the willingness of certain people to do something about them.

I think it is quite fair to say that the Liberal party has been a bit shifty with respect to its policies concerning international affairs. We all know that the leader of the official opposition not long ago made statements that indicated a policy of not necessarily nuclear weapons but nuclear weapons if necessary. Then he gave an interview, and he was very clear cut with regard to his policy of no nuclear weapons on Canadian soil.

Mr. Martin (Essex East): Will my hon. friend permit a question.

Mr. Herridge: Yes; I wish to be quite fair.

Mr. Martin (Essex East): My hon. friend says that in these matters the Liberal party had perhaps shifted its position, and he thereby implied that its general contribution with regard to this problem had been negligible. I am sure my hon. friend has not forgotten that the Leader of the Opposition, who was an exponent of Liberal policy in this field for such a long time, is the only Canadian ever to have been awarded the Nobel peace prize.

Mr. McGee: Will the hon. member permit me to ask a question for clarification? Would he not think it a fair assumption that the Liberal party themselves announced they had no policy, but that they might have one if an election was called?

Mr. Martin (Essex East): I am certainly not going to enter into politics on this matter.

Mr. Herridge: I have every respect for what the Leader of the Opposition has done in this respect. However, my criticism would be that the Liberal party's policy is inclined to be too much on a day to day basis. They have an ear to the ground, and as they comprehend this swelling tide of opposition in Canada to nuclear weapons on Canadian soil, of support for disarmament and so on, they become bolder and they respond to it. As the days go by—and this is not a partisan matter —I trust their policies will be as clear cut as are the policies of the party for which I am speaking at the present time.

Mr. McGee: Which party is that?

Mr. Herridge: I do not wish to speak at great length. However, I think this is a proper opportunity to be quite clearcut about this matter in view of certain events which must be faced in the future. I therefore wish to place on record our policies, and to make a few comments as I go along. This policy was designed months ago. We have not shifted our ground. This is what we have to say with respect to international affairs, disarmament and defence:

> The New Democratic party believes that the extension of nuclear weapons to any further states and alliances threatens disaster to the world.

I am sure we can all agree on that statement.

> It therefore opposes Canada's troops being supplied with such weapons at home or abroad. At present, except for those nations which have independently developed atomic capacity, neither NATO itself nor its members individually possess or control nuclear warheads. Should they do so, Canada must make it clear that it cannot remain in the alliance.

That is in the NATO alliance, if NATO is supplied with nuclear warheads.

> To relieve tensions, Canada should press for a demilitarized zone in central Europe and for the simultaneous disbandment of the Warsaw and NATO pacts.

On that policy we stand.

Mr. Martin (Essex East): Will my hon. friend permit a question?

Mr. Herridge: Yes.

Mr. Martin (Essex East): What would be the position of his party if NATO acquired or if there was an agreement to give NATO the nuclear deterrent? What would be the position of my hon. friend's party with regard to Canadian participation in that alliance?

Mr. Herridge: The resolution passed at our founding convention was to this effect. If Canadian troops in the NATO alliance were supplied with nuclear weapons, we would oppose the continued presence of Canadian troops in that alliance.

Mr. Martin (Essex East): In other words you would leave NATO?

Mr. Herridge: We would leave NATO on those grounds.

Mr. Hellyer: You would disband the defence of the free world.

Mr. Herridge: To continue:

> The rising importance of Latin America and the mutual economic and cultural benefits which

would accrue to all from closer association require that Canada increase and broaden its relationships with the nations of Latin America.

In that respect I think the minister is trying to do his very best. While there are some at this time who are suggesting that we should hasten to join the organization of American states, may I say it is my personal opinion that at this time we are in a position to do the most to promote the development of a state of affairs to the greatest advantage of the greatest number by being in a position to deal with the United States, with the South American countries and with Cuba from possibly a more objective viewpoint than would be the case if we were in the organization of American states at the present time. However, that does not mean to say there will not come a time when it will be possible for Canada to join. I give credit to the Secretary of State for External Affairs and those associated with him. We have taken a very constructive view with respect to Cuba under very difficult circumstances in the last year.

We now come to our disarmament policy:

The revolution in weapons technology makes two facts obvious to reasonable men. First, annihilation is now a physical possibility. Second, there is no known direct defence against nuclear missiles. Policy must be based on these realities.

The more we know of the potentially destructive power of nuclear weapons and the lack of a genuine defence against them, the more that paragraph in our program is emphasized. You have only to read technological and scientific magazines or a recent issue of *Maclean's* magazine to realize that there are increasingly solid grounds for that point of view.

The New Democratic government will make a general and searching reappraisal of Canada's defence role. Much of the money which Canada now allocates to defence could better be spent on providing such conventional troops and civilian personnel as the United Nations may require, and on aiding underdeveloped countries.

I can say quite frankly that we look forward to the time when we will cease spending between $550 and $600 million on maintaining troops in Europe and will use that money to extend long term credits to the underdeveloped nations of the world so that they may purchase our industrial products, our agricultural products and so on.

It is questionable whether NORAD ever made any significant contribution to the defence of Canada and in any case it has outlived its usefulness.

We are opposed to Canadian participation in NORAD as we have stated on a number of occasions.

Furthermore, there is every danger that the Bomarcs will be equipped with nuclear warheads. The NORAD agreements should therefore be terminated.

[Mr. Herridge.]

That is the point of view of the party I represent.

The New Democratic party demands an immediate ban on nuclear tests, both to avoid the dangerous effects of fallout and as a first step toward nuclear disarmament. The New Democratic government will propose a treaty to establish a non-nuclear club of nations pledged not to manufacture, store or permit nuclear weapons on their soil nor to use such weapons at any time.

We quite willingly give credit with regard to the work being done in this direction by the Secretary of State for External Affairs along the lines of the principles outlined in that paragraph. This is the concluding paragraph on this very important question:

In the nuclear age effective disarmament has become a condition of survival. Canada must play a much more dynamic role in the promotion of universal disarmament.

In that respect I say on behalf of our party that that dynamic role will only be exercised when the government of Canada is willing to get 100 per cent behind the Secretary of State for External Affairs in the advancement of the policies he has advocated in respect of nuclear testing, disarmament, disengagement and so on.

Any agreement on disarmament will require adequate inspection and control. An independent peace research institute will be established by the New Democratic government and staffed by nuclear scientists and other experts to give continuous study to the problems involved in disarmament and the underlying tensions which threaten the peace of the world.

Just before concluding my few brief remarks, I want to say I am conscious of the fact that the Secretary of State for External Affairs or any single group of persons cannot build up the climate and atmosphere in Canada that are necessary if we are going to have the cessation of all tests, nuclear disarmament and the developments toward peace we are all seeking. Trade union leaders in this country have a responsibility to inform their members of the situation that exists in the world today and they should do so not only at the convention level but at the union local level. Women's organizations have a responsibility, and I say once again that we owe a debt of gratitude to certain women's groups in Canada for the very effective work they have done in directing public attention to these very important questions.

All of us must accept some responsibility. It is very easy to get up and criticize the government but the people of Canada who are working in various organizations across the country must accept their responsibility so that the members of these organizations will understand the seriousness of the world situation and will be willing to study the question and to support constructive and sound proposals to meet the situation that faces mankind at the present time. I am sure

that if responsible leaders in all fields in Canada would accept that responsibility it would not be long before the great majority of Canadians would be willing to accept their personal responsibility for speaking with one voice so that the policies of the government that will represent Canada after the election, whether that government be Conservative, Liberal or New Democratic, will be dynamic and even more fruitful in the councils of the world.

Mr. Martin (Essex East): Mr. Chairman, I am sure the Secretary of State for External Affairs is going to deal in particular with the reported statement of the Prime Minister, who now says that there cannot be any agreement to the cessation of tests unless there is an adequate system of controls. The statement went on to say that Canada could not accept blindly an undertaking of the Soviet union in this regard.

The minister's position as stated on behalf of the government is that there should not be a resumption of tests whether or not there is an agreement on system of controls. That statement is at variance with the reported statement of the Prime Minister which appears in tonight's Ottawa *Journal*, and I am asking the minister to explain whether the Prime Minister has been misquoted or whether there has been a change in government policy in the meantime.

Mr. Green: I think the hon. member will find that the Prime Minister did not advocate further nuclear tests, and there has been no change in government policy.

Mr. Martin (Essex East): My question was not whether the Prime Minister had indicated that there should not be any further nuclear tests. The Prime Minister is reported as having said that there should not be any cessation of tests in the absence of a system of controls because the governments of the west could not accept blindly an assurance given by the Soviet union. That statement is to be contrasted with the statement made by the minister that the policy of the government of Canada is that there should be no resumption of nuclear tests with or without nuclear controls. Those statements are diametrically opposed to one another. Is the Prime Minister stating new government policy or does this reflect once again a statement made by the head of the government in contradiction of his colleague, the Secretary of State for External Affairs; or are we to conclude that the Prime Minister is now agreeing with the position which has been taken by the Minister of National Defence? Are we back again to the position where there is a divided cabinet opinion on a matter of such importance? We are entitled to have a clear and unequivocal statement from the Secretary of State for External Affairs on this matter.

Mr. Fleming (Eglinton): That is what you got.

Mr. Hellyer: While the minister is deciding on the reply he wishes to give the committee in answer to the question raised by the hon. member for Essex East, I should like to draw the minister's attention to a booklet called "News From Cuba" which has been circulated in the mails. Perhaps this would not be out of the ordinary if it were not for the fact that it has been distributed by use of the franking privilege which is extended to embassies in this country, with the result that Canadian taxpayers are picking up the charge for the postage required to distribute propaganda of this kind. I understand from friends of mine in Toronto of various ethnic origins that other embassies representing countries which are in fact Soviet satellites of one kind or another have also been availing themselves of this franking privilege for the purpose of distributing political propaganda through the mails, some of which is quite offensive to Canadian citizens, particularly to some people who are constituents of mine and are also taxpayers.

I think we should hear from the minister with respect to this policy of allowing embassies to send out to Canadian citizens, who in many cases do not wish to receive this material, propaganda praising the communist heaven in their particular parts of the world. The minister should tell us why Canadian taxpayers should be called upon to subsidize this activity by paying for the mailing of this material.

Mr. Green: I think this is a policy which was adopted by the government of which the hon. member was a member. There has been no change in policy. Embassies are free to distribute material here and Canada is free to distribute material in Russia.

Mr. Hellyer: Is it a fact, Mr. Chairman, that we do have a reciprocal posting privilege in Russia? If so, do we take advantage of it and distribute information there which would be beneficial to the people who do not have access to otherwise accurate information about what is going on in other parts of the world?

Mr. Green: I do not know much about the franking privileges in Russia because apparently Canada has never sent out any material in Russia.

Mr. Hellyer: Would the minister inquire into this, because unless we do have some reciprocal privilege, it would seem unfair advantage is being taken of the Canadian taxpayer for propaganda purposes.

Mr. Martin (Essex East): I had asked the Secretary of State for External Affairs to comment on a statement made by the Prime Minister but he has not done so. When I last put the question to him I was paraphrasing the report of the Prime Minister contained in tonight's Ottawa *Journal.*

An hon. Member: You should not have paraphrased.

Mr. Martin (Essex East): I had paraphrased a statement of the Prime Minister's which appears in today's Ottawa *Journal.* However, so there will not be any doubt about it I will read precisely what the Ottawa *Journal* attributes to the Prime Minister in this regard. The article reads, in part, as follows:

> Prime Minister Diefenbaker has endorsed the western view that Russia's word cannot be trusted in a nuclear test ban without international control and inspection.
>
> "Any unpoliced test ban treaty would be dangerous to the survival of the western world," he said.
>
> "It would be a reliance upon the word of the U.S.S.R. without there being means to assure that their undertakings were being carried out."

Those words are all in quotation marks, and then the article continues:

> He made the statement as he went to preside at a Saturday cabinet meeting.

This statement appears in tonight's Ottawa *Journal* at page 7.

Mr. Hellyer: What newspaper?

Mr. Martin (Essex East): The Ottawa *Journal,* and the Ottawa *Journal* is known as a newspaper which, particularly on the eve of an election, blindly supports this administration or any administration with a similar ideological content. I would not object if the Secretary of State for External Affairs asked for an opportunity to deal with this matter later, but the statement of the Prime Minister calls into question at once the declared policy of the government of Canada in this respect. Just before he went to the disarmament conference in Geneva, Mr. Chairman, in answer to a question which I put to him, the Secretary of State for External Affairs said that the government continued to affirm as its policy the fact that there should be a cessation of nuclear tests, whether or not there was an agreed system of control. This statement was made without any qualification by the Secretary of State for External Affairs, and I noted that he had made it on other occasions.

Then, about six days ago the Prime Minister, speaking in Montreal, expressed a view consistent with this statement by the Secretary of State for External Affairs as to the policy of the government with regard to this subject. On Friday last I mentioned the fact that the view of the Prime Minister, as reported in his speech in Montreal, was now in agreement with the view expressed by the Secretary of State for External Affairs. There was no issue taken with my statement of the government's position. I have repeated several times this afternoon that the government's declared policy was that there should be a cessation of tests whether or not a system of controls was agreed upon. This was the statement of government policy, and I have just repeated it.

Now we have a statement attributed to the Prime Minister which contradicts that statement of policy. These matters are now being discussed in Geneva. The Secretary of State for External Affairs has been praised for his work at the disarmament conference and no one has sought in any way to fail to appreciate the contribution made by the hon. gentleman or his objectives, with which we are all in agreement. In the face of this statement of objectives, in the face of what the Secretary of State for External Affairs reported he did in Geneva, he cannot sit idly in his seat without explaining this statement by the Prime Minister which is in direct contradiction to the policy which he has affirmed from time to time. It is significant that the statement by the Prime Minister was made just as he was going into a cabinet meeting.

Has government policy in this regard changed as of Saturday last? Was there a cabinet meeting which dealt with this matter? The Prime Minister, according to this report, said that an unpoliced test ban treaty would be dangerous to the survival of the western countries. This is not the position this government has taken, but it has been the position of the United States throughout. It is a position from which this government did not hesitate to dissociate itself. We are discussing these supplementary estimates for external affairs, and this is a matter of vital importance affecting not only our own foreign policy but affecting the attitude Canada takes with regard to the position of its neighbour on the resumption of tests. This statement by the Prime Minister contradicts in every way the statement of policy given to this parliament by the Secretary of State for External Affairs.

Mr. Green: May I merely say that the statements the hon. member has been reading do not contradict the policy of the government. Canadian policy remains the same; we are against nuclear weapons tests.

Mr. Martin (Essex East): My friend says the policy of the government is against tests, with or without controls; is that the situation?

Mr. Green: I have explained it; we are against tests, period.

Mr. Martin (Essex East): Now, perhaps we are getting the facts. My hon. friend says we are now against the resumption of tests. Formerly, the Secretary of State for External Affairs never hesitated to add, whether or not we had a system of controls.

Mr. Green: Do not put words into my mouth.

Mr. Martin (Essex East): Does my hon. friend deny he said in this house repeatedly that this government was against the resumption of tests, whether or not a system of controls was agreed upon? This was the position taken by my hon. friend in Geneva as well as in this house. When we come back to a discussion of this matter at a later date, we will have to confront the Secretary of State for External Affairs with his words, in view of the fact that obviously there has been a change in policy now, a change in policy which is announced by the Prime Minister in this statement which he made as he went into a cabinet meeting on Saturday last. If there was a change of policy, one could understand perhaps that there were good reasons for it. Surely, this house is entitled to know those reasons, and that is what we are not getting from the minister at this time.

Mr. Regier: What is Liberal policy?

Mr. Pearson: The Secretary of State for External Affairs has said that this is the policy of the government: we are against tests, period. The Prime Minister is reported to have said on Saturday, we are against test bans unless there are suitable measures for control and inspection. Does the Secretary of State for External Affairs not think there is any contradiction between those two statements?

Mr. Fleming (Eglinton): Question.

Mr. Martin (Essex East): No, Mr. Chairman. In view of the importance of this matter we shall simply have to be given the opportunity of presenting the minister with the statements that he has made on the subject from time to time and to ascertain from him why there has been a change, if indeed there has been a change, so that he can tell the country and parliament.

There may be good reasons for a change. The minister is in a better position than anyone else to know, because of the post he holds and because of his discussions with certain powers. There may be every justification for the changed position; but we are entitled to have more from the minister than a statement which seeks to suggest that there is no change in government policy, and that he himself has never affirmed that there should be a cessation of tests whether or not a system of controls was agreed on.

While one of my colleagues is looking up the precise statement, I would invite the minister—

Mr. Pickersgill: Here is the statement.

Mr. Pigeon: No second leader.

Mr. Pickersgill: Where is your first leader?

Mr. Martin (Essex East): This is a matter of very great importance—

Mr. Hees: You don't like what you read, Paul.

Mr. Martin (Essex East): One would not want to make references to the wrong context, but my hon. friend will remember that before he went to Geneva I asked him a specific question on this very subject. He clearly indicated then that there had been no change of policy and that the government was against the resumption of tests whether or not there was any agreement to provide for a system of control. He said that repeatedly during the last year and a half in this house. I say that the Prime Minister, who is here now, contradicted that statement of the secretary of state by his reported statement.

Perhaps the Prime Minister has not seen this statement. I understand he has been in Montreal discussing disarmament and perhaps he can tell us whether he said what he is reported to have said. Here is what the Prime Minister is reported in tonight's Ottawa *Journal,* at page 7, as having said:

> Prime Minister Diefenbaker has endorsed the western view that Russia's word cannot be trusted in a nuclear test ban without international control and inspection.
>
> "Any unpoliced test ban treaty would be dangerous to the survival of the western world," he said.
>
> "It would be a reliance upon the word of the U.S.S.R. without there being means to assure that their undertakings were being carried out."
>
> He made the statement as he went to preside at a Saturday cabinet meeting.

The matter under discussion between the Secretary of State for External Affairs and myself is: that statement of the Prime Minister is inconsistent with the declared policy of the government of Canada.

Mr. Diefenbaker: Not in any way.

Mr. Martin (Essex East): Well, all right. The Prime Minister says "not in any way." Perhaps he will explain to us how he can reconcile these words with the repeated declaration of policy by the Secretary of State for External Affairs that the Canadian government was opposed to nuclear testing whether or not there was a system of control. How can

my right hon. friend say that there has been no change of policy? How could he say this is consistent with the declaration of the Secretary of State for External Affairs? The two are absolutely contradictory.

Mr. Diefenbaker: Not at all.

Mr. Martin (Essex East): On the one hand you cannot say that you do not trust the Soviet union, or you cannot say you must have a system of control and also agree with the Secretary of State for External Affairs who said there should not be a resumption of tests whether or not there was an agreed system of control. These two statements stand in contradiction to one another.

Mr. Fleming (Eglinton): Nonsense.

Mr. Martin (Essex East): The Prime Minister may nod his head all he wants but he will stand in condemnation by the Canadian people unless—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —unless he explains this away without delay. He has embarrassed his own Secretary of State for External Affairs.

Mr. Green: Rubbish.

Mr. Martin (Essex East): He has put himself in a position at odds with one of his own ministers; but we all recognize of course that this has not occurred for the first time. The Prime Minister may think this is a laughing matter—

Mr. Diefenbaker: It is the hon. gentleman's interpretation I am laughing at.

Mr. Martin (Essex East): I am not interpreting the Prime Minister's statement.

Mr. Fleming (Eglinton): You are misinterpreting it.

Mr. Martin (Essex East): He said:

> Any unpoliced test ban treaty would be dangerous to the survival of the western world.

Mr. Hellyer: Maybe he was misquoted.

Mr. Martin (Essex East): Is that the same as the policy declared by the government of Canada? The Prime Minister nods his head. All I can say is that by that act the Prime Minister has indicated without any doubt he does not accept the appreciation of the importance of this matter, and that lack of appreciation will be noted by the people of Canada.

An hon. Member: Question.

Mr. Pearson: May I ask the Secretary of State for External Affairs if a proposal were made at the conference in Geneva for the banning of nuclear tests, which was not accompanied by measures for international control and inspection, would the Canadian delegation be in favour of it?

Mr. Green: There is no point in answering hypothetical questions like that. Our position has been perfectly clear. We are against nuclear tests. Apparently the Liberal party is in favour of them.

Mr. Martin (Essex East): We have reached the hour of five o'clock. Does my hon. friend not think that in a matter of this kind where we seek to submerge our political differences that he should unequivocally state the position?

Mr. Diefenbaker: When did the submergence begin?

The Chairman: It being five o'clock it is my duty to leave the chair in order that the house may proceed to private members' business under section 3 of standing order 15.

Item stands.

Progress reported.

Mr. Speaker: Order. It being five o'clock the house will now proceed to consideration of private members' business as listed on today's order paper, namely, notices of motion.

BUSINESS OF THE HOUSE

Mr. Churchill: I wonder, before proceeding with private members' business, would the house consider a slight alteration, commencing at eight o'clock tonight at which time I suggest, in order that the other house may deal with the matter as well, that we consider item No. 3 on today's order paper.

Mr. Habel: Changing their minds once more.

Mr. Churchill: It will be consideration of the universal copyright convention, No. 3 on today's order paper. On our side there will be just one speaker, the Secretary of State.

Mr. Pickersgill: So far as we are concerned in the official opposition we are quite agreeable to the suggestion made by the house leader, on the understanding that the moment this matter is concluded we resume the business that was set out for today and that we were on at five o'clock. I think if the house leader could give us that assurance, then we would be very glad to co-operate with the government in this matter.

Mr. Herridge: The members of this party are quite agreeable to the procedure suggested by the house leader, knowing the importance of the question to a great number of Canadians.

Mr. Pickersgill: Is it quite understood?

Mr. Churchill: That arrangement is satisfactory.

Mr. Speaker: Is it agreed by the house, then, that the business interrupted at five o'clock will continue interrupted at eight o'clock to allow for consideration of item 3, and that it will be resumed after item 3 has been disposed of?

Some hon. Members: Agreed.

INDUSTRY

SUGGESTED ESTABLISHMENT OF DEPARTMENT TO PROMOTE AND ASSIST MANUFACTURING

Mr. W. G. Beech (York South) moved:

That in the opinion of this house, the government should take under consideration the setting up of a department of industry for the purpose of promoting and assisting the manufacturing industry in Canada.

He said: I introduce this resolution in the sincere belief that the setting up of a department of industry within the government is absolutely necessary if our economy is to reach its full potential. Without in any way belittling the efforts of the Department of Trade and Commerce, the Department of Finance and the Department of National Revenue in that area, we would be naive indeed to believe that these efforts are satisfactory. Any hon. members who have accompanied their constituents in search of information or help with their problems in connection with matters pertaining to manufacturing or processing will know of the peregrinations from one department to another and the difficulty in obtaining definitive answers.

I draw to the attention of the house the matter I raised in the house on February 22 as reported on page 1174 of *Hansard*. Over two years ago, the Canadian boiler society, supported by the chief boiler inspectors of most of the provinces, made certain representations to the Department of Trade and Commerce. After some discussions these representations were referred to the Department of Finance. The delegates were told it was a tariff matter and would have to wait until the budget was brought down, even though no tariff changes were involved. When the budget appeared there was no mention of the problem. The group then made the suggestion that perhaps it could be taken care of by the Department of National Revenue.

After another year of talks it was decided by the Department of National Revenue it could not deal with the matter and that it could only be settled by an amendment to the tariff and so would have to wait for the budget. Well, another year has gone by, and so has the budget, without any mention of the problem. I asked what had happened about this problem and was informed that it was impossible to do anything about it, and was referred back to the Department of National Revenue for the answer.

Suggested Assistance to Industry

I cite this as the type of treatment accorded some well known and responsible representatives of industries, simply because the people in these departments are not familiar with the problems of industry, or have not the authority to make decisions. If a fisherman comes to Ottawa with a problem he goes to the Department of Fisheries, a farmer to the Department of Agriculture, a working man to the Department of Labour, a logger to the Department of Forestry, a miner to the Department of Mines and Technical Surveys. Surely with the ever growing importance of industry to our economy it should not be necessary to send its representatives from pillar to post in search of an answer.

All other phases of our economy have direct representation in the cabinet, but industry has to depend on the Minister of Trade and Commerce, who has other responsibilities, some of which may well be in competition with industry. The Canadian Manufacturers' Association, in a brief presented to the Prime Minister's conference on employment in October 1960, said the following:

Manufacturing has not kept pace with the economic growth of Canada over the post-war years because its problems and its needs failed to receive government attention commensurate with its stature and potential as an employer of Canadians. To ensure that these matters receive their proper emphasis in the formulation of future government policy, manufacturing should have definite representation in the cabinet.

Then again in December 1961:

In view of the problems of establishing a satisfactory level of employment at the present time and of assuring a complete fulfilment of the nation's potential in the years ahead, we believe that an urgent need exists for more attention to be given at cabinet level to the difficulties and the growth potential of the manufacturing industry.

Manufacturing provides employment for one out of four members of the labour force; it accounts for somewhat more than one quarter of the gross domestic product. Considerably more Canadians work in manufacturing than in agriculture, mining, forestry and fisheries combined. When only wage and salary earners are considered, manufacturing is responsible for about 30 per cent of all jobs. Even this rather understates the case, since experience has shown that 100 new jobs in manufacturing lead to at least 100 new jobs in service industries.

All levels of government derive a large part of their revenues from manufacturing.

Suggested Assistance to Industry

Approximately half of all taxes on corporation income are paid by manufacturers. While it is not possible to cite a figure, it is obvious that the largest single share of personal income taxes, in terms of industrial origin, is paid by Canadians employed in manufacturing. The keen interest of most sizeable municipalities in securing new factories is testimony to the difference which manufacturing makes to municipal revenues, as well as to local income and business turnover.

One half of corporation profits, the wellspring of so much of the funds used for expanding production and living standards, are earned in manufacturing. Although manufacturing is our nation's chief source of actual and potential economic strength, it is correspondingly capable of providing a serious problem area when employment shows weakness. In 1958, a recession year, about one third of all unemployment insurance claimants were from the manufacturing industries. The welfare of manufacturing means the welfare of Canada, and any impairment of the prosperity of manufacturing means a serious impairment of the Canadian economy.

It has recently been calculated that non-farm employment must be expanded 18 to 20 per cent in the next five years if the growth of the labour force, the continuing contraction of employment in agriculture and the above normal component of present unemployment are to be absorbed. This growth would involve the provision of an average annual increment of about 150,000 jobs and a total requirement for new jobs of about one million over the period. These figures point dramatically to the necessity to channel Canadian development into production with the highest possible potential in terms of gainful employment manufacturing.

One of the chief problems facing Canada is finding means to bring about the processing within our borders of more of our raw material exports. That this problem has persisted despite years of discussion at various levels of the community indicates that it requires a more concerted attack with all the tools of both technical and policy making research that can be brought to bear upon it. Its solution is a challenge worthy of the highest efforts of both government and business, but the achievement of real progress in this direction requires purposeful direction and co-ordination at the cabinet level.

It is evident that we cannot afford indecision or delay in laying the soundest foundation possible for manufacturing expansion. Such a foundation can be built surely and swiftly only if the central policy-making body at the national level, the cabinet, includes a minister whose clearly designated responsibility is to understand and cope with the problems of growth in the manufacturing industries.

The necessity of providing a healthy environment for manufacturing presents government with quite a different set of problems from those of its relationships with other industries. This is especially so in the increasingly competitive world of today, when the prospect is for closer and more complex contacts with the economic forces of other nations. For that reason the effects of broad economic trends and of government policies need to be assessed with particular reference to manufacturing to determine their effect upon it. Such an assessment can best be made by a minister who concentrates his attention on manufacturing and has special knowledge of it.

It is an old saying, but a basic truth, that "What is everybody's business is nobody's business". While manufacturing is not in this extreme situation as regards its recognition in the structure of the cabinet, the diffusion of responsibility for matters relating to it cannot help but lead to a dilution of the quality of judgment, the knowledgeability and the initiative brought to bear upon government problems relating to manufacturing. The future of Canada and the necessity of expanding employment over the years ahead make manufacturing much too important for either government or industry to be content with anything less than distinct and definite cabinet representation.

The facts presented above suggest that there ought to be a separate minister and department of manufacturing but in view of the necessity for economy and compactness in government organizations, we believe as already indicated that appropriate representation can be accomplished through the minister and Department of Trade and Commerce, and that due recognition of this role should be given by their redesignation as the minister and department of industry and commerce. The alteration in emphasis of duties and responsibilities to which we have earlier referred would be largely a matter of giving greater effect and recognition to certain welcome structural changes which have recently taken place within the department.

These are the considered opinions of those who are in daily touch with the problems confronting industry in this country.

The hon. member for Dufferin-Simcoe (Mr. Rowe) had this to say in the house on February 20 last as reported at page 1065 of *Hansard*:

While other important countries were encouraging industrial developments by tax relief, accelerated depreciation, special allowances for research bonuses, special freight rates, credit and guaranteed payments for exports, our secondary industries were left to grow up like Topsy. Industry is playing a much more important part than it ever has in the history of this dominion. However we have lagged far behind, and as an example, I cite our great textile plants. During the last ten years of the former administration, in this cold country where we use so many textiles, 80 plants closed down and 22,000 people lost their jobs. In so far as heavy industries, chemicals and electrical appliances are concerned, 50 per cent more of our requirements were imported during that period. This was the result of other countries

encouraging their secondary industries which were able to export their surpluses. They were alive and alert to a situation.

After complimenting the Minister of Finance and the Minister of Trade and Commerce for their efforts on behalf of industry, the hon. member concluded by saying:

I urge the government, and I say this with all sincerity although I know I may be on ticklish ground in so doing, to give serious consideration in the near future to the establishment of a governmental department of industry to act in co-ordination with the respective departments of industrial development in the provinces. I feel this is of paramount importance, to co-ordinate all the efforts. I compliment the government for the steps it has taken, for the new concept that it has demonstrated, but I urge the government that the time is overdue when we should have a department of industry to accelerate the development that is so vital to our future.

Mr. W. F. Lougheed in the preface of his book "Secondary Manufacturing Industry in the Canadian Economy" states:

For some time now I have been urging the creation of a federal department of industry. This study has strengthened my views concerning the need for industrial representation in the cabinet. Fishing has a spokesman in the councils of government, so, too, should secondary manufacturing industry.

And so it goes. Time will not permit me to cite figures to support my arguments, although they are readily available. I cannot stress too highly the need for concerted action, if Canada is to stand up to the ever-increasing threat to our economy from outside competition. The newly formed productivity council is a step in the right direction but the necessary results can only be achieved by the utmost co-operation between industry, labour and capital. This can only be brought about by government action.

There are those who will oppose this resolution on the grounds that it would only impose more government interference on our free enterprise system; but when the vital need for specialization and standardization is considered, if we are to successfully compete in the markets of the world, it is difficult to see how this can be accomplished without assistance from government.

Despite the attempts of the opposition to belittle the efforts of the Minister of Finance and the Minister of Trade and Commerce, the results of those efforts are now showing up and there can be no doubt they are responsible for the present upswing in our economy. That the government is aware of the growing importance of industry, particularly secondary industry, to our economy, is shown by the new measures introduced by the Minister of Finance in the present budget, especially as they relate to research.

This is one of the most important needs of industry in Canada, as we have far too long been dependant on the research organizations of our competitors. I will close my necessarily confined remarks in connection with our research people with the admonition that their hearts may conceive and their minds devise in vain if industry is not prompt to execute the design; and this can only be done with assistance from the government at the highest level.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, the motion proposed by the hon. member for York South reads:

That, in the opinion of this house, the government should take under consideration the setting up of a department of industry for the purpose of promoting and assisting the manufacturing industry in Canada.

This is a motion which I am sure commends itself to all hon. members. In considering this whole broad subject matter I wish to remind the house that in the last year or two various suggestions have been put forward on this or related subjects. One suggestion was that a ministry of economic affairs should be established. Of course, there is an obvious objection to that proposal because no minister in any government could reasonably be asked to accept the proposition that another minister should have a superior position to him and that he should be under the direction of another minister. It will readily be seen that by its very nature such a proposition is bad and unacceptable. However, the fact that this suggestion has been made indicates the growing feeling in this country that there is a serious gap in the treatment of this subject, and that some action is required on the part of the government.

The need for such a department is a new one which has come about because of a combination of circumstances; but the fact of the matter is that before the change of government we had in the then minister of trade and commerce a minister to whom all the persons in the country concerned with the subject of industry generally, and the manufacturing industry in particular, could come with their problems—problems similar to the one mentioned by the hon. member for York South in the opening part of his remarks—and indeed all relevant problems. They could lay their problems before him to be brought before the cabinet for decision by the cabinet. I well know that over a period of years the leaders of labour, industry and other organizations having a direct concern, did come regularly and in numbers to the then minister and spell out their problems. I think all hon. members will agree that that situation obtained, and that the person filling the position of minister of trade and commerce at that time understood that type of problem. Since that minister has gone from us

and there has been a new one, the need for this new department has been indicated and has shown itself. I am not suggesting that it is likely or indeed probable that we shall ever again have a man of the capacity in this field of the late Right Hon. C. D. Howe. Those things happen infrequently. I do not think anyone in the ministry would particularly quarrel with that statement. Ministers come and go but it is not often that you have one possessing the undoubted capacity and understanding of the problems as they affect industry, and the manufacturing industry in particular, to the extent those qualities were possessed by Right Hon. C. D. Howe. It is not often that event occurs in the life of succeeding governments.

There is one other factor that enters into this matter. The Department of Trade and Commerce is materially handicapped in dealing wiht this problem under its present organization. Unless it is going to be reorganized, it is necessary to set up a department such as the one indicated. To indicate what I mean when I say that the Department of Trade and Commerce would require to be reorganized, I would point out that it has now become a truncated department. The authority taken away from it under the present minister by the present government is something that restricts it to dealing with only part of what was formerly considered to be the responsibility of the Department of Trade and Commerce. I do not know why that was done. I am not proposing to argue the matter now, but I point it out in considering this motion. I would point out that the discontinuance of the preparation and the publication of the *Economic Outlook* each year and the liquidation of the branch of the Department of Trade and Commerce which did the work in preparing that document are something that has materially handicapped the present government in dealing with problems confronting industry.

Mr. Pallett: Will the hon. member permit a question?

Mr. McIlraith: Yes.

Mr. Pallett: Do I understand him to say that there has been a reduction in the number of persons preparing statistics on the economic position of the country?

Mr. McIlraith: Yes, that is one of the things which bothers me a great deal. We have now simply wiped out that organization. It was a superb organization. When that branch was set up after the war it was headed by an outstanding man who left the department to become the principal of Queen's University. If you take into consideration the succession of heads of the branch, you will see that is the kind of treatment they received. The work that branch of the Department of Trade and Commerce did in assembling the statistical information on the projected undertakings in the economy of Canada for use of a government in considering and arriving at policy was a very great contribution. It is my opinion that it is one of the factors that helped to create the prosperity we had in those post-war years.

Mr. Pallett: Will the hon. member permit a question?

Mr. McIlraith: Yes.

Mr. Pallett: Is the hon. member suggesting that the people who are there now are not as good as the ones who were there previously?

Mr. McIlraith: I am suggesting that this branch of the department is virtually liquidated. That is what I am suggesting. I had an opportunity of working rather closely with that department and I can say frankly to the hon. member who asked the question that I think that this government made a great mistake. I will not ask him to agree with me about the circus performance in publishing that report on the *Economic Outlook* but I will ask him to agree with me that he should examine into the problem of just what has been done to the branch which prepared that kind of information for a ministry. A ministry cannot work without that kind of information. This government is materially handicapped in not having that kind of information in developing policy. That is the point I wish to make.

Then there is one other thing I wish to mention. By that action and others they have lost the kind of co-ordination that existed between labour, industry—I refer to the industrial leaders—and governments. The three must co-operate in order to get effective industrial production of a higher order. There is a role for each of the three. That co-ordination did take place, in fact, under the former minister of trade and commerce. As I say, it is a matter of regret that it does not take place now owing to a number of circumstances.

In order to show the need for the kind of department proposed by the hon. member for York South, perhaps a good illustration will be found in the situation in which some of the secondary manufacturing industry—and at the moment I am thinking about the automobile industry—found itself about two or three years ago. That problem was not grappled with by the government, and the kind of decision that was required to be taken then was not taken because, in my view—possibly other hon. members will have quite different views—the government simply did not have

the kind of organization that was capable of understanding the kind of problem confronting the industry and the effect, beneficial or otherwise, that certain proposed changes would have. That is a good example indicating the need.

If anyone has any doubt about the importance of the manufacturing industry in providing employment, he has only to examine the statistics on the subject. It is absolutely essential in this country that we keep the manufacturing industry and the secondary industries developing at a rate sufficient to provide the employment that will take care of the increase in the labour force that becomes available each year. That is the nub of the problem. It is interesting to note this fact. When you examine this subject you will find that there was sufficient development in Canada to more than take care of the increase in the labour force every year since the end of the war up to and including 1957, but that from 1958 on the increase in the labour force each year has been greater than has been the increase in jobs provided and available for them. That is the situation in which this country finds itself today.

In the last figures available it will be found that some 278,000 fewer jobs were made available through the development of the country than were required to meet the increase in the labour force. I will not give statistics on the subject. There are several that can be given showing the percentage increase in the gross national product and showing the percentage increase in terms of dollars and so on. Those figures are fairly well known. However, the thing works out in this way. The increase in the gross national product over the years 1945 to 1957 averaged out at about 4.6 per cent per year, and from 1958 to 1961 it averaged out at 1.5 per cent per year while the annual increase in the labour force over the whole period is about 2.5 per cent. If you take the gross national product and break it down in terms of what part of it comes—

Mr. Pallett: When you say 2.5 per cent—

Mr. McIlraith: Just a moment—from the manufacturing industry, and then take the number of jobs made available from this large segment of the factors going into the gross national product, you will find that the manufacturing industry is quite important from the point of view of making employment available. I am sorry I cut off the hon. member for Peel. He had a question.

Mr. Pallett: You said the increase in the labour force was 2.5 per cent. Over what period?

Mr. McIlraith: From 1945 to 1961.

Mr. Pallett: Your figures are wrong.

Mr. McIlraith: No, I think not. You can check carefully and you will find that those figures indicate the problem.

Mr. Pallett: Half a million new jobs in four years would be more than that.

Mr. McIlraith: I would be glad to hear the hon. member for Peel speak, but the facts on this subject are perfectly clear and there can be no controversy about them. There is a very slight increase in employment but not an increase equal to the increase in the number of persons entering the labour force. Surely there cannot be a failure to recognize the problem created by that situation.

There are other factors to this problem. A department of industry would provide a ministry to which those persons in Canada directly concerned with the problem could go for the purpose of making representations, and bringing forward problems which they thought should be dealt with. Since the ministry would be devoted to this subject, it could build up the proper background of information required to make the proper kind of forecasts that are necessary in dealing with this difficult problem. It is not an easy or simple problem and I am not one to suggest that the solution is easy.

I am not saying that the officials of such a department would be infallible by any means, but the department could examine the method of procurement of defence requirements now being followed, which it seems to me has fallen badly by the wayside, and ascertain what are the implications of the method now being followed by the Department of Defence Production, that of merely procuring end of run goods from other countries instead of examining carefully the impact defencewise, from the point of view of industrial preparedness and the keeping of an industrial complex in Canada in healthy condition by procuring these articles in this country. With respect to some defence procurement there is no direct association between procurement of the articles in Canada and the indirect effect of doing so from the point of view of keeping defence industrial know-how alive and at work in a segment of our industry, so that that part of the industrial complex can make its contribution in ordinary peacetime activies.

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

Mr. McIlraith: I wonder whether the hon. member would wait. That is something that has slipped badly by the board, and I think

innocently so far as the government is concerned. I am not suggesting that the government had any improper motives in that regard but I am suggesting they have fallen into the position where that kind of problem has not been getting sufficient attention. I think it is essential that it receive sufficient attention and I think a department of industry is one means whereby he problem might tend to receive sufficient attention.

It can be argued, of course, that possibly the Department of Defence Production should develop some of its facilities a bit more, though I am not suggesting that now. I am simply willing to grant that there are other means.

Mr. Macdonnell: What is this new department going to do that the Department of Trade and Commerce cannot do?

Mr. McIlraith: That was the point of my remarks. Such a department was quite unnecessary until the change of government. Formerly this work was all done in the Department of Trade and Commerce; but now that department has been so truncated the job is not being done at all. If that department is not going to be restored to its role in this and other related fields, then the government should give consideration to setting up a separate department. In any event, the problem has to be considered. The hon. member for Peel had a question.

Mr. Pallett: I wonder whether the hon. member recalls that the government which he supported cancelled the going into production of the first Canadian commercial jet transport?

Mr. McIlraith: If the hon. member for Peel wants to debate the subject of the production of aircraft, may I remind him that one of the hardest blows to any industry in Canada was the liquidation of the absolutely outstanding team of scientific specialists, technicians and engineers that had been gathered together in the Arrow project in his riding. The impact of the cancellation of that contract in the arbitrary way it was cancelled, without examining into the effect on the industry of the liquidation of that team of engineers, scientists and technicians—

Mr. Grafftey: You put them to work on an obsolete aircraft.

Mr. McIlraith: —has been very severe and has contributed to the depression of the last three years. If any competence had been exercised in considering the cancellation of that contract, it could have been done in a way that would not have had such a harmful effect on the economy of Canada. It could have been done properly in a way that would not have damaged the country and the industry of Canada to nearly the same extent.

Mr. Speaker: I am sorry to interrupt the hon. member but his time has expired.

Mr. Walter Pitman (Peterborough): Mr. Speaker, it is certainly a pleasure to support the motion moved by the hon. member for York South. However, before indicating areas of agreement I should like to suggest that clarification of the motion would perhaps be of some value because it envisages the setting up of a department of industry. The problem there, of course, is that the word "industry" is used in such a broad way. I listened to the hon. member's remarks as carefully as I could and I felt that he really meant secondary industry. He talked about the fishing industry, the lumbering industry and various forms of industry which I am sure he would wish to keep outside such a department, as these primary industries have departments of their own. I take it what the hon. member wishes to see done is for a department to be set up which would be particularly concerned with secondary manufacturing, and it is in this way that I interpret the resolution that he has placed upon the order paper.

I think the resolution is an excellent one and I believe we must give some emphasis to something that is becoming more and more important in the economic life of our nation. In my view the organization of government as we have it today reflects the kind of economic organization which largely supported our nation at one time. Therefore the Department of Agriculture, the Department of Fisheries, the Department of Mines and Technical Surveys and so on were very necessary and still are. But if in the structural organization of our government we are going to reflect the kind of economy that motivates our nation today we certainly need a department of secondary industry as our economy becomes more and more sophisticated. I do not think we want to burden a department which has, in a sense, become rather a hodgepodge already, that is our Department of Trade and Commerce. This department already deals with the bureau of statistics and several other branches. Certainly I do not believe it would be of advantage to burden that department with an industrial branch to look after secondary manufacturing. I feel it would be far better to have a separate department established with its own minister.

I think the hon. member for York South indicated some of the major reasons for my suggestion. Secondary industry is going to provide us with employment in the future. One of the professors at Queen's has indicated that over the next five years we in Canada will have to provide 5,000 jobs a week. These

jobs are going to have to be largely provided by secondary manufacturing. As has already been indicated, this area of manufacturing today supports more workers than any other area of our economy. Canada, over the past number of years, has become a major industrial nation. Certainly, I think we must recognize the fact that such a department has become a necessity. I do not disparage in any way the efforts that have been made by the Department of Trade and Commerce in this particular field. However, I am sure that all would recognize the need for some new organization in this particular area.

I believe we would agree that there are some very great developments that are taking place which merit the special attention of a minister and a departmental organization. There is, for instance, the problem of the combination of our industries and the fact that some of our industries are too small to compete. We are going to have to take a look at secondary manufacturing to see whether or not the units are sufficiently large to be able to compete on world markets. Then, too, we will have to look at some of our legislation, such as the Combines Investigation Act and other aspects of our legislation, to ascertain whether we can reorganize, reorient and redirect our efforts dealing with secondary manufacturing.

During the past few years we have been talking about the problem of United States control of secondary manufacturing. The bureau of statistics indicates to us that foreign ownership of secondary manufacturing has inched up from 38 per cent in 1926 to 57 per cent in 1959 and control has gone from 35 per cent to 57 per cent. This indicates the seriousness of the problem, particularly in the area of secondary manufacturing. Of course, we have seen this problem in the area of primary industry as well. This is a problem which can be dealt with, I believe, by a department particularly concerned with the problems of secondary industry.

We have to consider the problem of capital assistance to secondary industry because it is not needed in the same way or on the same terms as it is needed for primary industry.

I think, too, we have to take into account these nuances, these changes. We must not base our thinking upon primary industry. We have been talking a great deal about the relocation of industry. We have been talking about some of the problems of areas in our nation that have not been able to achieve the same level of development and prosperity as other areas. We have been talking about the possibility of relocating secondary industry. There are particular problems in connection with this suggestion which do not exist in connection with primary industry. I feel that a department such as the one suggested by the hon. member for York South would indeed be a valuable addition in dealing with the problems of relocating secondary industry.

We have been talking, too, a great deal about the problems of training and about apprenticeship schemes. I feel it would be of value to have this department which could give advice and statistics to indicate trends to the Department of Labour when setting up new courses or new apprenticeship schemes. I think that during this period of transition through which Canada is going the value of a department of industry would be readily seen. This department could look into the whole problem of the structure of our secondary industry. So often we tend to cram industry into one single area. I think this department could very well deal with that problem, just as it could with tariffs and the tax structure as they affect secondary industry. It has become almost a platitude over the past number of years to say that we have been exporting low employment content goods and importing high employment content goods. I am sure the government is concerned with this situation because it is one which we, as a nation, have to study. I think such a department could be a spur to activity in that area.

I know there are other members who wish to speak on this resolution, so I shall just close by commending the hon. member for introducing this motion this afternoon.

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): The proposal put forward by the hon. member for York South (Mr. Beech) is an intriguing one. It has a particular interest for me. If for a moment therefore I might become at least regional, if not parochial, I might mention that we in the Atlantic provinces, of which Newfoundland is one, have a particular interest in industrial development. Throughout our entire history we have had a great interest in trade. Perhaps some hon. members can remember the days when, comparatively speaking, the importance of some parts of the Atlantic provinces industrially was greater than it is now. We feel, and I think in this I express the sentiments of most people from the eastern seaboard, that a greater emphasis on industrial development could improve our lot considerably.

Actually, sir, the proposal that there should be a minister of industry is one which offers considerable possibilities. I would not, for a moment, suggest that this in itself will solve all our problems because government, although it has a great effect in these modern days upon industrial development, is not the

whole answer. I think the hon. member himself suggested that there has to be co-ordination between government and private enterprise so that the co-operative effort of one can be supplemented by the know-how of another. In this way, real prosperity can be achieved.

Before I go any farther, I should like to make one comment upon a remark made by the hon. member when he was making a comparison with the last ten years of the former administration. I think in fairness I could hardly be blamed for making a remark to the effect that if the past four years are to be regarded as the yardstick of prosperity, then the Tory yardstick is somewhat different in length from the Liberal yardstick.

To return to the suggestion that a ministry should be created and that it should give attention to the development of secondary industry, I would point out that big industries are essential and basic to Canadian industrial prosperity, but there are gaps in between them which have to be filled by smaller industries. Every additional small industry created will provide additional jobs and more jobs are needed to meet the demands of our rapidly growing population. Helping to create these industries and these jobs would be the concern of such a ministry.

Mr. H. Russell MacEwan (Pictou): In the short length of time available to me I should like to say a few words on this motion proposed by the hon. member for York South. At first glance it may appear that a movement to set up a department of industry for the purpose of promoting and assisting the manufacturing industry in Canada would be a good one, but there are various matters I believe would have to be taken into consideration before finally deciding that such department would be most advantageous for manufacturing industry throughout the country.

The hon. member for Ottawa West spoke about how things went along under the former minister of trade and commerce, and he also pointed out that under the defence production department we were getting more goods from other countries instead of keeping our industrial complex.

Mr. McIlraith: That was not what I said.

Mr. MacEwan: That was not what you said?

Mr. McIlraith: I do not want to be misinterpreted.

Mr. MacEwan: The Minister of Defence Production visited my area as well as that of the hon. member for Halifax. I would like to point out a move which has been made by this government, particularly in the defence production department, regarding the production of the variable depth sonar and anti-submarine device. This was developed by our own scientists in the defence department, with the help of defence production officials. While the minister was in the province of Nova Scotia he saw the electronic equipment for it being made by Cossor Limited at Halifax. He also saw parts being made by Fairey Aviation in the constituency of Halifax, and he saw the housing for this equipment being made under subcontract in my area. That is one example of the things being done by this government in order to provide employment.

I would point out that other steps have also been taken by our Minister of Trade and Commerce in other fields, especially in the export credit field. I have talked about this with various manufacturers. Important officials in various industries have pointed out that domestically we cannot hope to use up all the products of our manufacturing operations and our heavy steel industry, and that we must try for exports.

The report of the Export Credits Insurance Corporation, presented by the Minister of Trade and Commerce, shows what has been done in this regard, and among the results achieved are some which are pertinent to the province of Nova Scotia. We have received export orders for rails to Mexico and various other things for South American countries. With the help of Industrial Estates Limited, a Nova Scotia crown corporation set up by the provincial government, and with co-operation between it and the federal Department of Trade and Commerce, a large industrial secondary industry complex has been established in the Halifax area.

In addition various other projects have been carried out to assist industry, as shown in the maritime provinces power development act, by which cheaper power is supplied for our industries. I do not submit this evening that all projects have been completed. I shall deal, however, with the province of Nova Scotia, as is better known to me and I do not have a full knowledge of other parts of the country.

The hon. member for Ottawa West pointed out how powerful was the former minister of trade and commerce. What he says is so and

was recognized by the Canadian people; but I submit that the present minister, together with the other ministers in this government, have shown themselves not only sympathetic to Nova Scotia but to other parts of the maritimes. Not only are they sympathetic but they are taking concrete steps to help stimulate manufacturing industry in that area.

No doubt plans will probably be announced by hon. gentlemen across the way, saying they are going to do a lot for the maritimes, but it is a little late for them to start that kind of thing now. They should have started many years ago.

It might be a good thing if a department of industry were set up to act as an agency for all other departments in helping to stimulate industry. Manufacturers from my area who now have to visit various government departments could then visit one central agency and transact their business. The idea contained in the motion is a good one and deserves further study. No doubt if it is the proper course to take it will be taken by this government. May I call it six o'clock.

Mr. Speaker: Order. It being six o'clock I do now leave the chair.

AFTER RECESS

The house resumed at 8 p.m.

COPYRIGHTS

APPROVAL OF GENEVA CONVENTION, 1952

Hon. Noel Dorion (Secretary of State) moved:

That it is expedient that the houses of parliament approve the universal copyright convention signed by Canada in Geneva in 1952 and protocol 3 thereto, and that this house do approve the same.

He said:

(Translation):

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I think that in introducing this resolution before the house, it would be appropriate for me, as the minister responsible for copyright affairs, to state the government's motives.

The universal copyright convention, copies of which have been tabled, was signed at Geneva on September 6, 1952, by 86 countries, including Canada. Canada has not, however, ratified the convention. As a signatory, Canada has the right, under articles VIII and IX, to ratify the convention, as long as Canada is in a position, under its domestic law, to give effect to the terms of the convention—this condition being a requirement of article X. The resolution presently before the house recommends that Canada do now ratify this convention.

The convention came into being, and continues to exist, under the auspices of the United Nations Educational, Scientific and Cultural Organization. The member states as of this date—that is, the states which currently adhere, through ratification, acceptance or accession—number 39, and include the United Kingdom, the United States, France, the Federal Republic of Germany and a number of South and Central American republics.

Canada's international copyright relations presently consist of membership, dating back to 1896, in the international union for the protection of intellectual property (the Berne union), Canada being presently bound by the Rome revision (1928) thereof, and several bilateral arrangements made under the Canadian Copyright Act, with the United States, Sarawak and North Borneo. I shall refer again to the Berne union and to the arrangement with the United States. What membership in the Berne union and these several arrangements mean is that works of Canadian origin receive copyright protection in the member countries and in the countries with whom the arrangements exist, in return for reciprocate protection in Canada.

The universal copyright convention, in very general terms, assures to an author who is a national of a member state, or who first publishes in that state, national treatment in each other member state (by "national treatment" I mean such treatment as is accorded nationals of the state concerned under the domestic law of that state). The convention sets forth the types of works to which member states will guarantee protection, and stipulates the minimum periods for which such protection will be granted (i.e., the "term" of protection). The convention provides that any member state which, under its domestic law, requires certain formalities (including printing in that state, registration,

deposit, etc.) as a condition of copyright will regard such requirements satisfied with respect to the works protected by the convention first published outside its territory and the author of which is not one of its nationals. The only condition is that a simple formality be observed, namely that all copies bear a symbol (the letter "C" in a circle) and carry the name of the copyright owner and the year of first publication of the work.

The principal advantage to Canada of ratification of this convention bears on the effect of such ratification on Canada's copyright relations with the United States, but there are certain other minor advantages. The minor advantages lie in the wider international copyright affiliations which Canada would thus bring about (particularly within the western hemisphere), resulting in the protection of Canadian works in those member states to which Canada is not already bound by treaty or arrangement (and, of course, a reciprocate obligation on the part of Canada to grant protection to the works of authors of those states or works first published therein), and, to a great extent, in the easing of requirements in those states whose domestic laws may contain more stringent demands in this respect.

The major advantage in ratification has to do with our copyright relations with the United States. In 1923 Canada issued a notice, under its act, to the effect that the United States:

> —is a country which grants or has undertaken to grant either by treaty, convention, agreement or law, to citizens of Canada, the benefit of copyright on substantially the same basis as to its own citizens or copyright protection substantially equal to that conferred by the said act.

Henceforth, that country would be treated as if it were a country to which the Canadian Copyright Act extended, and the United States, in a reciprocal proclamation at the same time agreed to protect the works of Canadian authors, but such protection was to be conditional upon compliance with the requirements and formalities prescribed by the copyright laws of the United States. The United States have had, since 1891, certain printing (or "manufacturing", as they are usually called) provisions in their act, and from 1909 their law provided specifically that the owner of the copyright in a book or periodical first published outside the United States in the English language could obtain copyright protection in the United States (called ad interim protection) for five years from first publication.

However, if he imported into the United States more than 1500 copies of the work during that period, his United States copyright ceased. Canada, in 1923, amended its act by inserting therein certain manufacturing or printing clauses of its own, presumably to compensate for those in the United States law, but, due to the limitations in taking such action which were represented by Canada's membership in the Berne union, the Canadian clauses were operative only at the discretion of the minister and were, in reality, compulsory licensing provisions which did not take away the copyright (as the United States clauses did), but only required the copyright owner to permit publication, under certain circumstances, by others, on application and on payment of royalties. The United States manufacturing clause, on the other hand, is a mandatory requirement of the U.S. law, abolishes copyright protection on non-compliance, and has resulted in compelling the owners of copyright works in English to print them in the United States as a condition of enjoying copyright protection in that country.

The effect of these requirements of United States law on the Canadian printing and publishing industry is readily apparent. Any Canadian author writing in the English language, who anticipates an appreciable sale of his work in the United States must have his work published in that country to assure his copyright protection there. He could, of course, publish the work simultaneously in Canada and in the United States, but such action is not economically practicable. The Canadian printing and publishing industry is thus denied this business. Canadian authors, for their part, must compete with their American fellows for the attention and favour of American publishers, may be required to accept contracts on less favourable terms than they might secure from a rejuvenated Canadian publishing industry, and are in some danger of losing their identity as Canadian writers. In the interests, therefore, of Canadian literature, of Canadian authors, and of the Canadian printing and publishing industry it is obviously essential that measures be taken to make the manufacturing clauses of the United States copyright law inoperative so far as Canadian authors are concerned.

In that respect, I would refer hon. members to the very appropriate comments made by the royal commission on publications. I will not quote them here so as to be as brief as possible.

We suggested to the United States government, some months ago, through diplomatic channels, that that government free Canadian authors and authors first publishing in Canada from the requirements of the manufacturing clause, in return for a guarantee by Canada that we would not exercise our compulsory licensing provisions against American copyright owners. The reply was that compliance with this request on the part of the United States was not possible without amendment to the United States law, and that the way was already open to us to secure our object by ratification of the universal copyright convention.

We were already aware, of course, that ratification of the convention would solve this particular problem. This is because the United States as a member nation will no longer be able to invoke the "manufacturing clause" of its law with respect to works published in another member nation, since this is a type of formality which, under the terms of the convention, is satisfied simply by compliance with the minimum of formalities required by the convention, which I mentioned earlier.

The present United States law so provides; that is, a subsection specifies that works of the nationals of member countries, or works first published in such countries are exempt from certain provisions of the United States law—including the manufacturing requirement, and also requirements relating to deposit, mechanical rights, import prohibitions, etc.—as long as copies of the work bear the "C-in-a circle" symbol, the name of the copyright proprietor and year of first publication, in other words, comply with the convention requirement.

It may be wondered, under the circumstances, why action towards ratification of the convention has been delayed. There are various reasons. The Ilsley commission on patents, copyright and industrial designs recommend, in its report on copyright, ratification of the convention, but only after other recommendations which it made—relating particularly to the term of copyright, and also to removal of our printing clauses —should be given legislative effect by a new copyright act. I will make brief mention of this report and the activity which has taken place with respect to it. The report was tabled in 1958, and contained recommendations for a wholesale amendment of the Copyright Act. The subject of copyright is an extremely involved one, as anyone who undertakes a serious investigation of it soon realizes. The recommendations of the Ilsley report on this subject, the comments made with respect to the report and on all aspects of the subject have been under very active study for over two years in my department by a committee of officials to whom the task has been assigned.

That means that the legislation we propose to introduce will not necessarily implement the conclusions contained in the Ilsley report. Of course, it is the government and not royal commission which is responsible for legislation. For the time being, I could say that we may depart from certain of the report's conclusions. At any rate, when the legislation is introduced in the house, hon. members will have every opportunity to discuss its provisions and to make their own suggestions.

Specifically with respect to the Ilsley commission's recommendation that the universal copyright convention be ratified only after the Copyright Act is amended, in accordance with the commission's recommendations, I wish to point out that, under article IV of the convention, it will not be possible to make any amendment concerning the term of copyright after the convention has been ratified. Article IV states, in part, that the term of protection for works protected under the convention shall be not less than life of the author and 25 years after his death, but if a contracting state, on the effective date of the convention in that state, has limited the term for certain classes of works to a period computed from the first publication of the works, such a state will be permitted to continue to do so. The Ilsley commission recommended a term based on publication; thus, we would have to include the term in a new copyright act before ratification could be undertaken. I do not propose to go into detail at this time with respect to the pros and cons of the Ilsley commission recommendation as to a term of 56 years from date of publication, as indeed is the case in the United States, but it is not the intention of the government to accept that recommendation at present.

We are of the view that there is no great advantage to be gained by shortening our present term of life of the author plus 50 years to bring it into line with the United States term of 56 years from publication, and

consider that any advantage to be so gained would have to be very real to justify departing from the term which has been in effect in this country for many years, or from the basis of determining such a term—i.e., life of the author—which prevails not only in Canada but in the overwhelming majority of countries granting copyright protection. We readily admit, that the vast majority of works in copyright lose most, if not all of their monetary value long before the expiration of their copyright term.

Nevertheless, for that minority of works which are of lasting cultural value we are of the opinion that both the public's and the author's interest require that the copyright protection of such works be such as to ensure to the authors such financial reward as would encourage further production.

With respect to the possible claim of unfairness arising from a longer term of protection in Canada than in the United States, a remedy would seem to lie in the adoption of a provision, possible under the conventions, under which the term of protection in Canada for non-Canadian works should never exceed that of the country of origin—rather than the adoption of a shorter term for Canadian works.

Finally, I might say that there is understood to be in the United States—one of the last (if not the last) bastions of the term from publication—a substantial body of opinion developing in favour of a longer United States term. At any rate, convinced as we are that the term should be based upon the life of the author, and that it should be one which is at least 25 years after his death (as required by the universal copyright convention), there is no need to await amendment of the copyright act before ratifying the convention.

Another fact which gave us pause was the existence of the compulsory licensing provisions in our present act. These we were at first (as the Ilsley commission apparently also was) disposed to regard as incompatible with the requirements of the convention. We are now, however, of the view that our licensing clauses affect only the "content" of copyright—that is, the extent of the protection—but do not remove copyright. Since the "content" of copyright is nowhere defined in the convention (except with respect to term and to translations), it now appears—and we have an opinion of the deputy attorney general to corroborate our view in this respect—that the provisions of our present act are, indeed, such as will permit our giving effect to the terms of the convention.

The way ahead to ratification at this time therefore seems clear. There are three protocols attached to the convention, and the question arises as to the ratification of these as well. The first protocol would assimilate, for purposes of the convention, stateless persons and refugees habitually residing in member states with nationals of that state; the second protocol provides for protection of the works of the United Nations, its specialized agencies and the organization of American states; the third concerns the effective date of instruments of ratification or acceptance of, or accession to, the convention. Although it may in the future be desirable that all of these protocols be ratified (as the Ilsley Commission recommends), the first two could not be implemented before our legislation is amended. The third protocol's purpose appears to be to provide a suitable procedure permitting any country to condition the entry into force of its ratification, acceptance or accession upon the United States' becoming a party to the convention, but to achieve this without saying so in the convention or protocol. Ratification of this protocol is not affected by our legislation and can do no harm, and we propose ratification of protocol three of the convention.

There is one final consideration—namely, the means by which, under our present act, the extension of protection to universal copyright convention member states can in fact be implemented. Subsection 2 of section 4 of the Copyright Act provides, in effect, that the provisions of the act may be extended to or in respect of the citizens of a non-Berne union foreign country if that foreign country has granted or undertaken to grant by treaty, convention, agreement or law, to citizens of Canada the benefit of copyright on substantially the same basis as to its own citizens. A country which has ratified the convention has undertaken, by virtue of article II of the convention, to give to Canada, once Canada itself ratifies the convention, the benefit of copyright on the same basis as to its own citizens. The minister, may, through notice in the *Canada Gazette*, under authority of the abovementioned subsection, certify that any universal copyright convention country which is not a Berne union country (Canada already being affiliated with the Berne union members) is to be treated as one to which the Canadian Copyright Act extends.

I think that that about covers the background of this move by the government toward ratification of the universal copyright convention.

In conclusion, I wish to suggest that since the government has not yet drawn up the text of the new Copyright Act, the whole subject of copyright revision be not opened up at this time, nor that there be any discussion raised with respect to such questions as are not relevant to the motion before the house, that is, ratification of the universal copyright convention.

(Text):

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, I should like to say at the outset that I am quite prepared to follow the minister's suggestion not to go into the intricacies of the question of a new copyright act at this time, since I assume the house is ready and anxious to speed on with its business to the termination of consideration of the supplementary estimates. However, I should like to make a few remarks with respect to the resolution before the house and I apologize to the house for the fact that I have found it necessary to make some rather extensive notes respecting this matter since otherwise I find it very difficult to remember dates and particular details.

Since coming to parliament, Mr. Speaker, I have taken a considerable interest in the subject of copyright and have this year, as I did last year, introduced a private bill to amend the present outmoded Copyright Act—that is, our domestic legislation—and also to ratify the convention which is under discussion and the protocols, with one of which this resolution also deals. In the past year I have widely distributed my modest offering and have requested and in many cases received some very constructive suggestions and criticism with respect to it. That bill was designed partly to bring the government to the point of this action and partly to give those people interested in the public at large specific draft legislation upon which to comment. I am delighted, Mr. Speaker, that it may well be that my modest effort has reached at least part of its objective in bringing this convention before the house for ratification.

Last year I frequently asked the Secretary of State (Mr. Dorion) when a resolution such as this might be brought before the house and when the government might be expected to introduce a new copyright act. After all, a royal commission set up in 1957 under the distinguished chairmanship of the Hon. J. L. Ilsley, to which the minister has referred, recommended the taking of such a step, and the recent royal commission on publications under the chairmanship of Mr. O'Leary did the same. As well, the Canadian authors association has presented a brief to the minister and the graphic arts industries association has repeatedly urged such action upon the government. In fact, I assume that in the change of business this matter has been brought before the house as a result of a meeting of publishers in Toronto within the past 10 days and a number of wires and representations made both to the government and to the opposition, including a letter which appeared in this morning's Montreal *Gazette* signed by Mr. Marsh Jeanneret, director of the University of Toronto press, which pointed out the great disability that would occur and the unfairness to Canadian publishers and authors if in fact this resolution were not ratified by this parliament.

In January, 1961, Mr. Speaker, the Ottawa *Citizen* in its issue of the 18th of that month reported that the Secretary of State had "labelled a redress of the present copyright situation imperative". I note the word "imperative", although that was January of 1961. He is also quoted in the same article as having said that he would "probe the practicality of having Canada adhere to the 1952 Geneva universal copyright convention". The minister was further reported in the *Globe and Mail* of March 8, 1961, as having written the president of the Canadian authors association as follows:

> I hope that it will be possible to introduce a bill to revise the Copyright Act at the next session of parliament.

True to his word at least in part, we have before us a resolution to ratify the convention, although not a new Copyright Act. This encouraged all those interested, whether in the literary or artistic fields or in the printing and publishing lines, to believe that finally this legislation might be receiving a thorough overhaul. It was indeed a disappointment then to find in the speech from the throne this year no reference to a new act but only to the implementation of this treaty and, for the reasons explained by the minister, of only one of its three protocols.

Hon. members might well ask why the question of implementing this treaty is considered of sufficient importance to be included as a paragraph in the speech from the throne and as a matter of urgency at this time. There is, of course, the immediate problem which received considerable publicity last year when the chairman of the royal commission on publications learned to his obvious surprise of what is called the manufacturing

clause, to which the minister has referred, in United States copyright legislation and its adverse effects upon our literary, printing and publishing people.

It is true that many writers have ventured the opinion that we might solve our problems and assist our own people simply by ratification of what is called the U.C.C., the treaty which is before us; but the so-called manufacturing clause has long been a part of United States copyright law, since 1909, in fact, and has frequently been the subject of heated debate in the United States congress. The convention has already received study in the other place and approval at least in committee; but will the assent of this house to this resolution solve the problem, as suggested by the minister, of the adverse effect upon Canadians of the American domestic legislation, much less make less urgent the need to amend our own copyright law? I think not. But in order to answer the question properly it is necessary to make a quick survey of the history of our copyright law in Canada, its purpose and the extension of these rights elsewhere in the world by means of our treaties with other nations.

Copyright laws do not protect ideas as patent laws do, but merely expressions of ideas. The report of the Ilsley royal commission explains, and I quote:

> Copyright is in effect a right to prevent the appropriation of the expressed results of the labours of an author by other persons. That an author should have this right, at least for a limited period, is generally recognized—on the ground of justice, expediency or both.

A nation may, of course, legislate with respect to protection of such rights only as they may extend within its own territorial boundaries. The same rights are only extended to other countries and the nationals of other countries by reciprocal treaty.

In 1886 a group of countries signed an international treaty or convention by which each country signing agreed to give certain rights in respect of works of its nationals to the nationals of the other signatory countries. This came to be called the Berne union, and Canada signed by Britain upon the British government's initiative. Subsequently, in the same way, in 1896 Canada became the only North American country to sign what was called the Paris amendment to the Berne union convention. Later Great Britain adhered in 1923 at our request to another revision drawn at Berlin in 1908. Canada also became a party to the Rome revision of 1928, which fact, in the words of the Ilsley report, "places important limits upon Canada's freedom of action in legislating" in this field, with the result that "Canada is morally obligated in passing legislation to respect the Rome convention". In 1948 the latest revision of the Berne union took place at Brussels, which Canada signed but to which she has never acceded.

Our Copyright Act, that is our domestic legislation, was passed in 1921 and proclaimed in force in 1924. It was modelled upon the imperial act of 1911 and both were framed to accord as nearly as possible with the Berne union convention, to which we were a signatory. The United States, however, has never been a Berne union country. The United States, which has protected copyright since 1891 by its domestic laws, has been an adherent to another international convention, the Buenos Aires convention, which included most of the South American countries except Brazil. In addition, the United States has, by a series of presidential proclamations provided for in its own copyright act, extended U.S. copyright to the nationals of other nations on a reciprocal basis.

These two groups have almost diametrically opposed theories of copyright. I am indebted to an article entitled "International Copyright Control, A Canadian Viewpoint", by Messrs. Sterling and MacLeod for this short comparison which may be of assistance to members of the house:

> The continental concept expressed by the Berne union, views copyright as the primary and natural right of an author to tangible and intangible property in his work. From the primary right there may be derived particular rights which can be expanded or redefined as circumstances demand but, under this concept, the author has no obligation to comply with any formalities such as notice or registration of ownership. His right arises *ab initio*. The opposing theory, endorsed by the United States and Latin American countries, among others, postulates that copyright is a privilege conferred by the state to encourage creation and to ensure the fullest use of intellectual works. It emphasizes the need to balance the author's rights and the interests of society. To accomplish this, the state defines copyright and then prescribes necessary formalities by which copyright protection can be secured—

Now, Mr. Speaker, the difficulty is attempting to reconcile these two opposed views, and an attempt to do so was made in the universal copyright convention with which this resolution deals. This convention was promulgated in 1952 pursuant to article 27 of the universal declaration of human rights. It was an attempt, not to set up a rival to the Berne convention but rather to form a compromise solution for the union and non-union countries to secure so far as possible a truly universal copyright union.

This convention was signed on September 6, 1952, as the minister has said, at Geneva by some 86 countries including Canada and the United States, and it was subsequently signed by another four countries. The United States thereupon undertook a study of its copyright

act and, in order to comply with the terms of the Geneva convention, undertook a fairly substantial modification of its own domestic legislation. Having done so it then, in 1955, ratified the universal copyright convention. The United Kingdom followed the same course. They set up a committee appointed by the president of the board of trade as early as April, 1951, and that was called the Gregory committee. Subsequently, as a result of its report, the United Kingdom parliament adopted a new piece of domestic legislation, the copyright act of 1956, whereupon the United Kingdom then also ratified the universal copyright convention.

Canada started along this path as well. After signing the universal copyright convention in 1952, in order to review all of its commercial legislation which had, as stated earlier, been framed to accord with the Berne union convention and which had not been substantially altered in almost 40 years, Canada constituted a royal commission, which has been already referred to, under the distinguished chairmanship of the Hon. J. L. Ilsley on June 10, 1954. Its terms of reference may be of interest to hon. members of the house, many of whom were not here at that time, and I quote:

> —to inquire as to whether federal legislation relating in any way to patents of invention, industrial designs, copyright and trade marks affords reasonable incentive to invention and research, to the development of literary and artistic talents, to creativeness, and to making available to the Canadian public scientific, technical, literary and artistic creations and other applications, adaptations and uses, in a manner and on terms adequately safeguarded the paramount public interest, the whole in the light of present day economic conditions, scientific, technical and industrial developments, trade practices and any other relevant factors or circumstances, including practices under or related to the said legislation and any relevant international convention to which Canada is a party.

In brief, the commission was set up to bring our commercial legislation into the late fifties or into the sixties. This commission, Mr. Speaker, made a series of separate reports on the various fields which it had studied, the first of which was submitted on August 1, 1957. On page 7 of the report the commissioners comment as follows:

> Copyright seems somewhat more urgent—

I again call to the attention of the house the fact that this statement was made on August 1, 1957.

> Copyright seems somewhat more urgent than patents, trade marks or industrial designs, chiefly because Canada has signed two international conventions but has delayed adherence to those conventions pending, as we understand it, our report on copyright.

The commission, of course, received many representations, discussed the matter with many experts in the field and had great benefit from the report of the Gregory committee in the United Kingdom and the discussions in both houses of the British parliament, together with the new United Kingdom act of 1956. In addition, two members of the commission visited Washington, London, Paris, Berne and the Hague to discuss problems with foreign experts. The obvious course intended to be followed was to establish principles for a new act, to give protection to our citizens and to conform to these international treaties.

In fact, during the almost five years since the report was made, no attempt whatever, so far as the public is aware, has been made to draft a new act which would, in advance, conform to the treaty which we are being asked by resolution to adopt. This treaty has been prepared upon the basis of a markedly different philosophy of copyright from that upon which our domestic legislation is based. It was only, Mr. Speaker, when the other place, in its standing committee on external relations, had before it certain representatives of the minister's department that it became public knowledge that over a period of years there had been a committee set up by the Department of the Secretary of State to study this problem. The committee was composed of Mr. Charles Stein, the former undersecretary of state, Mr. Harris Arbique, general executive assistant, Department of the Secretary of State, and Mr. Michel, commissioner of patents, and they had been discussing the possibility of drafting legislation for a new copyright act. One can only assume that now that the former under secretary of state has been replaced by another appointee, this committee will again get back to studying the legislation so that we can look forward to further amendments or to a whole new domestic act.

It is surely transparently clear, Mr. Speaker, from a reading of the Ilsley report and a perusal of the conduct followed in both the United States and the United Kingdom, that the proper course and the one that was intended that Canada would follow is to clear up our own legislative problems first in this field rather than to compound them by ratifying the treaty first. But what of the problem arising from the so-called United States manufacturing clause? Will, in fact, this problem disappear if we at once ratify the universal copyright convention? I should like to make a rather extensive reference to a very clear statement on the matter contained in a paper written by Marsh Jeanneret, director of the University of Toronto press, and himself a lawyer, as it appears in the September-October 1961 issue of *Quill and Quire*, pages

2, 3 and 4, and which has been issued as a reprint. Mr. Jeanneret says this in discussing this problem, and its effect on Canada:

We are simply concerned with the mutuality of copyright, or lack of it, between this country and the United States on ordinary books written in English.

Just as an aside, Mr. Speaker, may I say that it is rather a shame when we have a Secretary of State who is a native, French speaking member of the house, that this could not have dealt with French publications as well, but in fact it deals only with English publications.

What is the situation?

The Canadian Copyright Act of 1921 provided that the protection it afforded Canadian citizens was to be extended automatically to citizens of countries that adhered to the Berne convention. The United States was not and is not an adherent to the Berne convention. But the Canadian act went on to provide that the minister might certify that even a country which has not adhered to the Berne convention could be brought under the Canadian copyright blanket if the minister decided that such a country had granted to Canadian citizens the benefit of copyright protection on substantially the same basis as to its own citizens.

The United States copyright act of 1909 had already stated that where a foreign nation extends to citizens of the United States the benefit of copyright on substantially the same basis as to its own citizens, United States copyright may be extended "by presidential proclamation" to the works of proprietors who are citizens of such a foreign nation. But the apparent reasonableness of this provision in the American act is shattered by the further conditions normally imposed on such foreign works by section 16 of the American act—usually referred to as the "manufacturing clause." Here is the actual wording of the relevant phrases of the discriminatory legislation:

"—The text of all copies accorded protection ... shall be printed from type set within the limits of the United States, either by hand or by the aid of any kind of typesetting machine, or from plates made within the limits of the United States from type set therein, or, if the text be produced by lithographic process, or photoengraving process, then by a process wholly performed within the limits of the United States, and the printing of the text and binding of the said book shall be performed within the limits of the United States ... provided, however, that said requirements shall not apply to works in raised characters for the use of the blind, or to books or periodicals of foreign origin in a language or languages other than English," etc.

The same section contains provisions for foreign author or copyright owner to procure ad interim copyright protection in the United States by registering his foreign-produced edition within six months; in such cases the U.S. manufacturing provisions need not be complied with for a period of five years, provided that not more than 1,500 copies in all of such a book may be imported into the United States during the period of such ad interim copyright protection. In practice, if more than 1,500 copies are imported into the United States, the holder of the ad interim copyright is called upon to abandon formally his claim to any U.S. copyright protection.

[Miss LaMarsh.]

It is clear from what precedes that the "manufacturing clause" in the United States act distinguishes the latter legislation completely from its Canadian counterpart. Nevertheless, on December 26, 1923, Canada issued a declaration whereby the rights conferred by the Canadian act were to be extended to works of U.S. origin. As a result of this certification, the President of the United States on the next day issued a proclamation extending the benefits of the United States act to citizens of Canada. At first glance this must have appeared as a happy and reasonable reciprocal arrangement. Let it be clearly noted, however, that the extension of the United States act to works of Canadian ciitzens applied only to works manufactured in compliance with the provisions of the manufacturing clause quoted above.

In 1955, the United States ratified the universal copyright convention, from which Canada still stands aloof—notwithstanding the recommendations of the Ilsley commission in favour of Canadian ratification. Among other countries which have long since ratified this new convention is the United Kingdom. By the terms of the universal copyright convention, adherent countries are required to give protection without formality. The United States therefore was obliged to suspend the manufacturing provisions vis-à-vis the works written by the citizens of other convention countries. However, it is of the greatest importance to note that (a) the manufacturing provisions still stand with respect to the works of citizens of countries which are not members of the universal copyright convention; and (b) the same provisions still deprive a United States author of the right to American copyright even if he publishes in another universal copyright convention country but does not observe the American manufacturing requirements. This last point is of real significance to Canada, even if this country does ratify the universal copyright convention.

The problem is not as simple as the minister has suggested. The ratification of the U.C.C. will not relieve from the manufacturing clause.

As Mr. Jeanneret said last fall, this is an action which could not be deferred much longer; but while Canadian authors would be offered some protection if they published first in the United States, American authors who publish first in Canada will be deprived of their rights at home.

In conclusion, the real question is not "how often do American publishers pirate Canadian copyrights" The important question is, "how often are Canadian publishers not commissioned to publish a work of American authorship"? The unreciprocal copyright protection existing today between Canada and the United States masquerades under the so-called reciprocal agreement, referred to earlier. Ratification by Canada of the universal copyright convention will only partially relieve the problem.

It was this, the manufacturing clause which when it came to the notice of the chairman of the royal commission on publications, Mr. O'Leary, led him to include, in his report under section 8, a reference to the advisability of ratifying this convention, although he did not seem to appreciate that ratification would be far from curing all ills complained of.

It was said that two royal commissions have recommended immediate ratification. What did interested members of the public and press think of it? I have already referred to the article "International Copyright Control"—a Canadian viewpoint—wherein the authors recommended ratification. Last year the Canadian authors association presented a brief to the Secretary of State called "The Authors Bill of Rights" which included these remarks:

> We ask for Canada's adherence to the universal copyright convention, an action enabling Canadian authors to receive automatic protection in all 35 countries now members... The Canadian authors association is convinced that this country should enact a new, fully modern copyright law as expeditiously as possible.

The graphic arts industries association, in a brief circulated to all members of parliament dated February 5, 1962, dealing with the royal commission on publications, says in part:

> A second step would be ratification by parliament of the universal copyright convention, which would have the effect, among other things, of partially offsetting the vicious restrictions of the U.S. copyright act, which have severely restricted Canadian book publishing and printing for nearly 40 years.

According to the same brief:

> The printing, publishing and allied trades employ more than 74,000 persons—more than any other manufacturing industry, including more talented and skilled people than any other industry.

Of the public press, Mr. J. B. McGeachy writing in the *Financial Post*, the late Miss Judith Robinson, in two columns in the Toronto *Telegram*, and editorials in the Winnipeg *Free Press* and the Toronto *Globe and Mail* have indicated support for both ratification of this treaty and amendment to our domestic copyright legislation.

One might ask why then the delay of nearly five years from the time of the Ilsley report. There has been obvious urgency for providing more employment opportunities in Canada, and there is and will be a necessity to provide more and more opportunity for our skilled workers in such fields. There was only one reason expressed by the Ilsley report which would require a policy decision, other of course than preparing and passing new domestic legislation first—which was the whole purpose of the report—and that other reason was that if the U.C.C. were ratified first it would not be possible to make, if thought advisable, as in fact the commission recommended, any change in the term of years through which copyright would exist.

Under our present legislation copyright protection is extended to an author for his lifetime plus 25 years after, with a right for an additional 25 years to his representatives to collect royalities, but not to prevent copying. This is not the term of "life plus 50 years" which has been requested by the authors and to which Canada is already morally bound to adhere by the terms of the Rome convention of the Berne union, when all parties to that convention so enact.

The Ilsley commission recommended commencing the term of copyright at the time of publication of the work, to run for 56 years from the time of publication, or at the author's death. Four reasons were given for this recommendation, one being that it would bring the term more in line with that extended in the United States. The United States term is 28 years from publication plus an additional renewal for 20 years, and thereafter the work passes into the public domain.

The royal commission's recommendation in this regard has been very controversial, as the minister said. Debate is hot and heavy among those interested as to whether the term should be shorter or longer. Perhaps the difference in attitude is shown when one remembers that in the past year, when Verdi's copyright with respect to his works was about to expire the government of Italy gave in to popular pressure and extended the term, perhaps because the proceeds go to a retired musicians' home. Yet when the same problem arose in England with respect to the copyright in Gilbert and Sullivan's operettas, the government refused to extend copyright and let them go into public domain.

The Berne union countries generally have a term of life plus 50 years. It is most interesting to note that just last year the United States register of copyrights made a submission to the house committee on the judiciary of the U.C. congress, dealing with general revision of the United States copyright law, and at page 58, recommended amending the U.S. term to be reasonably close to the usual European term of the author's life plus 50 years, suggesting that there should be a maximum term of 76 years from first public dissemination. Yet Canada, in almost five years, seems incapable of making up her mind as to the length of term which should be adopted, and therefore abandons all those who might hope to see legislation in this field brought in line with that in the rest of the world, and leaves our authors with 25 years after life, with some other limited rights.

Is there still urgency about ratifying this convention? Of course it will be of some assistance in relieving against the United States manufacturing clause. It will allow our authors to sell their books and dispense with registration formalities. But its passage should not be allowed to dispel the urgency of new

domestic legislation to meet the needs of the times. And its passage will prevent a needed change in term of copyright.

It may be that even the need for urgency is almost passed. If the government continues to drag its feet to the very end of its term in office, in fact our neighbours to the south may yet solve the problem, as so often this government has left it to them to do. For in the same report of the United States register of copyright, to which I earlier referred, which has been disseminated to all those interested for comment, leading to a bill to be presented to congress, is the following recommendation:

> The copyright office does not believe, in principle, that the rights accorded to authors should be dependant upon the employment of domestic printers. The office therefore recommends that the new law contain no provision requiring the manufacture of works in the United States nor any provision requiring the securing of ad interim copyright. It also believes there should be no provision in the copyright law limiting importation to 1500 copies.

So, in effect, had we waited six months the United States government might have cured the problem on its own.

In any event, we are once again being asked to put the cart before the horse—to give approval to a convention now ratified by some 39 of the 90 signatory countries which signed in 1952 or later. Again we are making a stab at the immediate problem, without dealing with the heart of the matter.

Mr. Speaker, before concluding I should like to mention briefly one other matter. This resolution asks only for approval of protocol 3. It appears to be the opinion of the government, as expressed in the debate in the other place by the government leader, that the other two protocols require legislation. I take it then that the government intends to ratify by means of order in council only, since protocol No. 3 deals only with effective date, and that no legislation is at the moment planned with respect to protocols 1 and 2 which respectively deal with the application of copyright to stateless persons, refugees, and to works first published by the United Nations or its agencies or by the organization of American states. It is greatly to be regretted that the conclusion that must inevitably be drawn from the fact of the announcement in the speech from the throne and the hasty bringing up of this motion on what might be the third, or second, or last day of this parliament is that Canada must await the return to responsibility of a Liberal government which is prepared to deal with this, as with so many other problems, without delay.

[Miss LaMarsh.]

Mr. Walter Pitman (Peterborough): Perhaps it is a matter of concern to us all that this resolution should be brought before this house in its last days when time is of the essence. It is a matter of concern that we could not have put things in their right order; we could have cleaned up all the complexities and cleaned up our act of parliament before we went off on this ratification.

None the less, the government is to be congratulated for turning to this matter and doing justice to those who are our authors and artists in this country in the last days of the session. I was interested to hear the hon. lady who represents Niagara Falls (Miss LaMarsh) mention a Canadian authors' bill of rights. In a sense this is very close to being a bill of rights as far as Canadian authors and artists are concerned, because in any democracy a basic freedom is surely the sanctity of property. Throughout the history of democracy in Britain there has been concern about the security of a man's possessions and their defence against authoritarian rule. We have seen in the desultory attitude in the U.S.S.R. and other satellite countries an attitude toward this particular aspect of a man's property which would lead us to believe that they are not very concerned with what we would call political democracy.

Some men's property is in buildings, goods and property of various kinds. Others use their imagination and produce literature, music, poetry and so on. Both kinds of property, whether material or of the imagination require protection. The Ilsley report states in this regard: "Nothing is more certainly a man's property than the fruit of his brain". That, I think, indicates the concern of all of us in this house. This legislation will, we hope, protect and give advantages to our authors and artists with regard to the property which emanates from the mind and imagination of gifted men and women in Canada. The resolution therefore commends itself to us.

Both the minister and the hon. member for Niagara Falls have given long accounts of the stages by which Canada has moved since 1896. I do not wish to repeat what has been said already. We do know that in the interim period this has been hanging fire since 1952 when Canada and 85 other countries signed this convention, 39 of those countries having already ratified the convention. It is remarkable to note in passing that this is another example of the work of the United Nations, particularly of UNESCO. We should not forget these organizations associated with the United Nations which do such good work. This convention was said to be appropriate to all the nations in the world. Canada thus joins a large number of countries which are seeking to protect their authors and artists.

Since 1896, since Canada was a member of the Berne convention, we have seen a number of revisions and we have also had a bilateral agreement with the United States. As both the minister and the hon. member for Niagara Falls have stated, the main problem has been the manufacturing clause in the United States legislation. The Canadian authors association has for many years sought to give arguments and reasons why we must advance in this area, and advance quickly. The royal commission pointed out the problems which were faced by our authors, and the O'Leary commission has now brought us to the point where we are ready to put this through before we leave for our constituencies. The advantages are many. Canada will be in a co-operative affiliation with many other nations. This will protect our authors. We shall be joining in an international agreement which is a progressive and forward-looking agreement which will, we hope, provide an impetus to our own arts and literature.

The immediate problem has been that of our association with our neighbour, the United States. It is always a difficult thing to live beside a giant. Although, in connection with the manufacturing clause we can, in a sense, reciprocate and keep out United States publications, it is obvious that United States facilities for Americans in Canada are not to be compared with the advantages which Canadians can secure in the United States market. The situation has been detrimental to the Canadian publishing and printing industry. A great deal of employment which would have come to Canada has gone by the way for the past number of years.

I hope that other artists will soon be brought under the Canadian legislation. As we know, there have been tremendous changes since the Canadian legislation was put through. I do not want to discuss them tonight because, as the minister said, we are not dealing with the act itself. I think we should express the position of this party, however, and say that we hope to deal with this matter as soon as possible. We in this chamber are concerned with the economic development of Canada but if we are to secure any kind of nationhood we must be equally concerned about artistic development, which is really the basis and the bond of nationhood in this nation of ours.

The royal commission dealt with more than just copyright. It dealt with patents, trade marks and industrial design. These were dealt with in separate reports and, of course, we cannot enter upon that field of discussion now. I will simply say that here nothing has been done in these other areas and it is a matter of great concern in Canada that we should be using legislation which is entirely and completely out of date in these other areas. An example I could give is the Industrial Design and Union Label Act. It is so out of date in its present form as to be completely unworkable. It does not even cover shape in terms of the design of particular articles. It appears that in our concern over securing economic progress we have allowed this problem to go unheeded and surely we have now come to the point when we must take definite action. In this parliament we have seen the sands of time run out and we must now adopt a hodgepodge solution to it. We must take stopgap measures in the hope that the problem will temporarily be dealt with until we return to this chamber once again.

I congratulate the government on taking this initiative and express the hope that the government will soon introduce other legislation that will be of benefit to our authors and artists, with whose problems I trust this chamber will concern itself more in the future.

Motion agreed to.

Mr. Speaker: The house will now resume the business that was interrupted at five o'clock.

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

DEPARTMENT OF EXTERNAL AFFAIRS

696. Canadian representation at international conferences—further amount required, $115,000.

Mr. Martin (Essex East): Is the minister not going to be here?

Mr. Churchill: Yes, he is on his way. I suggest that the hon. member proceed.

Mr. Martin (Essex East): I think we had better wait until the minister is present.

Mr. Churchill: We may as well pass the items now. There was a full discussion before five o'clock, was there not?

Mr. Martin (Essex East): I shall place on the record the references to the observations of the minister on the point we were discussing before the debate was interrupted. These are observations made by the minister in this connection in answer to certain questions. These may be found on the following pages of *Hansard* for the dates cited. The first is to be found at page 2563 of *Hansard* of April 6, 1962; a statement that was not contested by the minister will be found at page 2335 of *Hansard* of March 30, 1962; at page 1593, of March 8, 1962; at page 761, of February 12, 1962; at page 2549 of volume 3 for the session of 1960 and at pages 4534-5 of volume 4 for the session of 1960.

These statements in connection with the government's policy on the resumption of tests, with regard to the attitudes taken by the Canadian government in connection therewith and with regard to the question of controls or no controls, speak for themselves. They are to be contrasted with the statement of the government's policy of the minister and with the statement attributed to the Prime Minister on Saturday last from which statement I have already quoted.

Mr. Pearson: Before this vote carries, Mr. Chairman, I wish to ask the minister a question about reported arrangements—if that is not too strong a word—or reported negotiations between the United States and the U.S.S.R. which appear to have leaked in Germany and which deal, among other things, with an understanding which is under discussion, at least according to this report, between these two powers to the effect that neither will make available to any third country nuclear weapons or information concerning the manufacture and use of nuclear weapons. The press reports concerning these negotiations which emanated from Bonn and which have all the earmarks of a calculated leak in the Bonn are in very considerable detail. While I do not propose to go into the reports generally, because they deal with arrangements covering Berlin and access to Berlin and questions of that nature which we all hope will be worked out satisfactorily, nevertheless they cover the point that these two powers will refuse to make available nuclear weapons to any third power.

If this report is accurate it of course has a very important bearing on the whole question of the extension of nuclear weapons to a third power. In view of the great publicity given to this report over the week end, could the minister say anything about it?

Mr. Green: No, Mr. Chairman. I have no comment to make on that question.

Mr. Martin (Essex East): Mr. Chairman, I should like to ask the minister whether he has any comment to make on the report in today's *Globe and Mail* in which the Minister of Justice is quoted as having revealed that British Columbia has made new Columbia river proposals that seem to represent a significant modification of the government's previous position. This comment was contained in a statement issued in the minister's home constituency of Kamloops where he was visiting during the week end.

Mr. Green: Mr. Chairman, this has nothing to do with the item under consideration.

[Mr. Martin (Essex East).]

Mr. Martin (Essex East): I understood, Mr. Chairman, that under this item we would have a general discussion such as would normally have taken place under the departmental item, No. 692.

The Chairman: Shall the item carry?

Mr. Martin (Essex East): No, Mr. Chairman. I just made an observation. It was understood we would have a general discussion under this item rather than under item No. 692.

Mr. Green: Mr. Chairman, this is not an item under which hon. members are entitled to ask any question having to do with external affairs. I suggest the hon. member should adhere to the item under consideration. As a matter of fact I answered this same question this afternoon.

Mr. Martin (Essex East): If the minister answered it, that is a satisfactory reply, but it certainly is proper in my submission to ask this question. That was the agreement reached the other night.

Mr. Pearson: Mr. Chairman, General Burns in Geneva on April 12 in his statement to the disarmament conference said among other things:

> We are opposed to all nuclear weapon tests.

He then went on to refer to the proposal put forward by the non-aligned powers there in an effort to break what he referred to as a deadlock. It does seem to be a deadlock. He went on to say when speaking for the Canadian delegation, and I quote from his statement:

> The Canadian delegation has heard with the greatest of interest and sympathy statements made by the eight non-engaged members of this committee. We would like particularly to support the appeal of the representative of Mexico which, if I understand it correctly, was that the nuclear powers should submit again to their governments, with great seriousness, the possibility for some agreement, based on a move in their present positions, which has been submitted to them over the past few weeks, and particularly the last week or so, by the non-engaged states.

General Burns referred to these proposals. His statement has been made public. Can the minister give us any indication what these proposals are to which General Burns has given the agreement of his government?

Mr. Green: From time to time as this subject was up for discussion in the conference, proposals were made by the various non-aligned countries and also, of course, by Canada. I think the Leader of the Opposition can take it that the proposals of the unaligned countries were summed up in the submission which was made today on behalf of the eight.

Mr. Pearson: Can the minister give us any indication of what those proposals are? I am thinking particularly of the reports that they have put forward proposals for inspection and control in the hope that their proposals will end this deadlock. The reports I read are to the effect that they are supporting a kind of inspection and control which would be concentrated in what they call neutral hands, perhaps under United Nations auspices and also that this inspection and control—and this is a very important matter—could perhaps—and I may be wrong about this because I am only quoting from a report—be carried on outside of the boundaries of the great powers such as the Soviet union, for instance.

Mr. Green: I dealt with that matter this afternoon, Mr. Chairman. There is one other feature about the proposal and that was that the checking should be done by scientists of the different countries rather than by political bodies in the different countries.

Mr. Pearson: I apologize if the minister dealt with the matter this afternoon when I was not here. But as to this checking by scientists which is suggested in this proposal—and this may be a very imaginative and important proposal—is it to be done by scientists who will not require to be in the territory of a country where an explosion might take place?

Mr. Green: Yes, but there is also the suggestion that there should be a co-ordinating group which could send in scientists to check in order to ascertain whether there had been an atomic blast in a country about which there was a complaint or about which there was any doubt.

Mr. Pearson: Does the minister consider this kind of international inspection and control satisfactory as a possible way out of this deadlock?

Mr. Green: I am not sufficient of a scientist to be able to say that. These proposals will be accepted or otherwise depending, I presume, on the opinions of the scientists of the Soviet union, the United States and the United Kingdom.

Mr. Martin (Essex East): Is the minister in a position to inform the house whether or not the prospects for a meeting of the heads of government or of the heads of state may take place before the conclusion of the present conference in Geneva, as was envisaged some weeks ago? The minister will recall saying, in answer to a question, that there was a possibility that there would be such a meeting and that it would not be confined to the great powers. Has the situation developed sufficiently to warrant a statement by the minister in that context?

Mr. Green: There has been no suggestion recently that a meeting of the heads of state is imminent.

Item agreed.

697. Grant to defray a portion of the costs of Canadian participation in the first session of the Atlantic convention, $6,000.

Mr. Herridge: I should like to ask the minister a question with reference to this grant to defray a portion of the costs of Canadian participation in the first session of the Atlantic convention. Would the minister mind explaining to the committee what the Atlantic convention actually did and how the persons who attended it were appointed?

Mr. Green: On October 2 last year approval in principle was given to participation in an international citizens commission on NATO. This idea was originated by Mr. Christian Herter, former secretary of state of the United States. He and Will Clayton, a distinguished democrat, were named by the United States as the two heads to act for the United States in this meeting. Canada after giving full consideration to the plan, and having ascertained that various other members of NATO were participating, sent delegates over to a preparatory commission which met in Paris in December. At the final meeting there were seven Canadians. They were nominated by the government. They were picked from the different parties in Canada. For instance, Mr. Alistair Stewart of Winnipeg was one of those chosen.

Mr. Herridge: He was chosen by the government?

Mr. Green: Yes.

Item agreed to.

698. Contribution towards the furnishing of Marlborough House, London, England, in an amount of £310, notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of February, 1962, which is, $915.

Mr. Pickersgill: I was wondering what kind of furniture could be bought for Marlborough House for $915. Perhaps the minister could explain what this is really all about.

Mr. Green: In 1959 the British government indicated their willingness to provide a building in London for commonwealth activities and in particular for the use of bodies concerned with commonwealth consultation on economic affairs. Her Majesty the Queen made Marlborough House available for this purpose. At the fourth meeting of the commonwealth economic consultative council, the Canadian representative proposed that it would be of

value as a symbol if each country were given the opportunity to participate in the furnishing of Marlborough House. Subsequenty, each commonwealth country agreed to present six chairs for use in the conference rooms. That is the reason for this vote.

Item agreed to.

Special aid programs—

699. Expenses in connection with Canada's participation in the world refugee year, for the completion of the tuberculous refugee program—further amount required, $64,000.

Mr. Martin (Essex East): The minister will recall that on January 29, 1962, certain questions were asked of the government with regard to the situation of Tibetan refugees, particularly those who are destitute and who are in the territory outside the jurisdiction of the government of India, particularly in the northern valleys of Nepal. Has any change taken place in the policy of the government toward assisting these unfortunate individuals who apparently are the victims of aggression perpetrated against them and their country.

Mr. Green: This vote has to do only with the tuberculous refugees who were brought in from Europe. That program worked out extremely well. There is no provision for aid to the refugees in Nepal to whom the hon. member for Essex East refers.

Mr. Pickersgill: Can the minister say whether refugees still are being brought to Canada under this program or whether this vote is just to pay for the completion of a program that has been completed?

Mr. Green: Apparently there are still 10 persons in sanatoria, 131 persons on full subsistence and 48 persons on partial subsistence. In addition to the funds provided for under the Department of External Affairs 1961-62 appropriations, accounts amounting to $40,000 have been paid by the immigration branch from their vote "Transportation and other assistance for immigrants and settlers". The approximate monthly expenditure is running at $12,000.

In order to reimburse the Department of Citizenship and Immigration for the $40,000 expenditure already made and to provide for normal expenditures of $12,000 per month for February and March of this year, a further $64,000 is required; and that, of course, is the vote which is now being considered.

Commencing with the 1962-63 fiscal year and subsequently thereafter, all expenses will be borne by the Department of Citizenship and Immigration.

[Mr. Green.]

Mr. Pickersgill: I take it there are no more new people being admitted to Canada. That is the point I was making.

Mr. Green: That is correct.

Mr. Pickersgill: Are there none left in the camps?

Mr. Green: I made inquiries about that when I was in Geneva and I think the problem of the refugees in Europe can be considered as largely settled. The tubercular refugee program was one of the finest features which led to the settling of the problem.

Mr. Pickersgill: I can certainly agree with the minister about that. After all, we started admitting these people at the time of the Hungarian difficulty and that was what encouraged us to feel that rehabilitation was possible. It is one of the few things I really commend this government for continuing that we started.

Mr. Green: The tubercular refugee program was ours completely. You had nothing to do with it.

Mr. Pickersgill: The minister is completely and utterly wrong. There were at least as many tubercular people admitted by the previous government among the Hungarian refugees as have been admitted subsequently under this other program, and if it had not been for that earlier experience I doubt very much that this government would have embarked on this program.

Mr. McGee: I wonder whether the minister can tell us if any other countries followed Canada's lead in this field. As I recall, our contribution to world refugee year was the lead we established in this field. Was our program followed by any other countries? Was it emulated by any other countries?

Mr. Green: Some other countries did take tubercular refugees as well, but I have not got the details this evening.

Mr. Pearson: I know the minister is right when he says this has nothing to do with the Tibetan refugees, but in view of the fact that some of us have been getting some correspondence on this matter as to what Canada may be able to do, and perhaps the minister has too—I have had some from British Columbia—can the minister give us any indication, even though the matter may not come under this item, whether requests have been made to the Canadian government to help these people and if any consideration is being given to the matter?

Mr. Green: One or two suggestions have been received with regard to these unfortunate people but there are many complications involved in trying to help them.

Item agreed to.

700. To reimburse the agricultural stabilization board for skim milk powder donated to international relief agencies, $114,282.

Mr. Herridge: Mr. Chairman, this is a vote to reimburse the agricultural stabilization board for skim milk powder donated to international relief agencies. Has any consideration been given to using some of our butter surplus for similar purposes? I do not know whether this is feasible or practical but the matter has been raised in correspondence with me on a number of occasions.

Mr. Green: I understand it is not feasible to dispose of butter in this way.

Item agreed to.

701. Assessments for membership in the international (including commonwealth) organizations that are detailed in the estimates, including authority to pay such assessments in the amounts and in the currencies in which they are levied—further amount required in Canadian dollars, estimated as of February, 1962, $471,976.

Mr. Martin (Essex East): Does the minister wish to take advantage of this item to say anything about the organization of American states, about which he spoke so eloquently some time ago but about which we have heard nothing since?

Mr. Green: This vote has to do with the organization for economic co-operation and development in Europe.

Mr. Martin (Essex East): I thought I would give the minister a chance to talk about other things.

Item agreed to.

704. Assessment for the United Nations Congo ad hoc account for 1961—to extend the purposes of vote 516 of the supplementary estimates, 1961-62, to provide for payment of the assessment for the said account for 1962 and to provide a further amount of $2,493,376 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars; the amount required in Canadian dollars, estimated as of February, 1962, is, $2,612,591.

Mr. Martin (Essex East): Does the minister wish to say anything about the position now with regard to the supplementary fund to take care of the Congo operation? I recognize, of course, that this refers to the normal assessment imposed on members of the United Nations with regard to the United Nations Congo ad hoc account, but the United States congress has now decided to act on the recommendation of the president to provide $100 million by way of credit. Can the minister say what the situation is now with regard to this further assistance to the United Nations to enable it to carry on?

Mr. Green: The latest figures I have with regard to the United Nations bond issue show that a total of $50,215,000 has been subscribed. That is in addition, of course, to United States purchases. So the bond sales are coming along fairly well. If I remember correctly, some offers have been made since April 2, which is about two weeks ago.

Item agreed to.

706. Canada's share of the costs incurred by the United Nations of the Geneva conference on the settlement of the Laotian question, $11,000.

Mr. Martin (Essex East): Will the minister say whether or not the Geneva conference is still in session even though there may not actually be any current meetings? Will there be further expenditures which Canada will have to bear in connection with this conference? This would be the appropriate item for the minister to indicate whether or not the objective of establishing a truly neutral government has succeeded. In that connection, what is the position now with regard to the truce commission of which Canada is a member? Is that commission continuing to work toward fulfilling the objectives? Is there in fact a cease-fire, has a truly independent government been established, and when will the work assigned to the commission by the Geneva conference terminate?

Mr. Green: Mr. Chairman, the conference at Geneva in effect has finished its work and reached agreement but there remains the job of setting up a government in Laos. As the hon. member knows, there are three different factions in that unfortunate country, one friendly to the west, one friendly to the communists and one which is a so-called neutral. Each of them is headed by a prince. These three princes have met on various occasions in an effort to form a coalition government but so far they have not reached an agreement.

The prince who heads the neutral group is in Europe at the present time. He is the one designated by the west and the east as prime minister. They are all supporting him. But out in the field in Laos it has been impossible to bring about agreement so that the conference in effect is in suspension until the princes agree. Originally Mr. Ronning, our high commissioner to India, headed our delegation and he was assisted by Mr. Bridle our ambassador to Turkey and also by senior officers of the Department of National Defence. At the present time we are keeping a middle grade foreign service officer in

Geneva who is responsible for keeping in touch with the other representatives. As soon as agreement on the government is reached in Laos the whole work can be finished.

That is the situation at the present time. The commission in Laos is functioning under Mr. Mayrand who is in charge of the Canadian delegation to the international control commission. They have not been able to move about very much, but I think the very fact they have been in the country has helped reduce the fighting. There has been some skirmishing going on, but no serious fighting. It would appear that both sides are anxious to prevent a general war breaking out, and that is the position at the moment.

Mr. Martin (Essex East): This is a case where the minister's optimism has only been partially justified.

Mr. McMillan: I should like to ask one question. Does this vote, and the other votes that have to do with foreign payments, take into consideration the depreciated value of our dollar? The reason I ask is that I see the previous vote speaks about $300,000 and gives the amount as $315,067. I was wondering if all these votes take into consideration the fact our dollar is depreciated from that of the United States dollar?

Mr. Green: In each case the amount voted is the Canadian equivalent of the moneys required to meet the payments.

Item agreed to.

Resolutions adopted in committee of supply this day reported and concurred in.

WAYS AND MEANS

The house in committee of ways and means, Mr. Martineau in the chair.

Mr. Fleming (Eglinton) moved:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1962, the sum of $138,416,981, be granted out of the consolidated revenue fund of Canada.

Mr. Pearson: Mr. Chairman, I realize that it is not usual to have a debate at this stage in our proceedings leading up to a supply bill. But the very fact that the rules do provide for a debate in committee of ways and means is conclusive evidence that a debate at this stage is in order and, in the present circumstances, I feel it is required. The purpose of a debate in committee of supply is to maintain the control of the house over the expenditures of the government. The purpose of a debate in committee of ways and means is to maintain the control of the house over the raising of money to meet expenditures of the government which may have been voted.

Now, Mr. Chairman, including this set of further supplementary estimates for 1961-62, with which we have been dealing, the government has asked for $341 million in a single fiscal year as compared with a total of $357 million in further supplementary estimates for the five years ending March 31, 1957. This $341 million is not far short of half the total deficit for the fiscal year that has just ended. Since these estimates were brought before us we were told the government anticipates a deficit in the current year of $745 million which, based on the record of the past, is likely to be an underestimate.

Now, Mr. Chairman, we on this side have no assurance of any kind, though we thought we had received such an assurance some days ago, that the house will be given the normal opportunity which falls to the house to debate the conditions of the nation's finances and the disturbing disclosures made in the white paper which has been tabled and which deals with our financial and economic situation. We feel, therefore, in the official opposition that we have a duty to decide whether or not to concur in the committee's request, and before doing that to review the nation's finances and the relationship that these huge expenditures which are now before us and which the government is asking authority to make, bear to the general economic and financial policy of the government, as well as the record of the government in this field. If we had any assurance that before this house adjourns for the Easter recess there would be an opportunity to debate this vitally important matter in the normal way, or even after the Easter recess, we would not have to fall back on this procedure in order to bring this matter to the attention of the house.

If the government had been able to convince us that there were matters on the order paper which were of great importance to the country to have passed at once, naturally we would want to give that request the consideration it deserves, just as we gave such consideration to the government this afternoon when they asked for an alteration in the business of the house so that the copyright resolution, which up until this afternoon had not been put forward as a matter of very great urgency, could be dealt with. We felt, since we had been pressing for this, that this was a matter of importance and should be dealt with before the Easter recess. We do not consider some of the items on the order paper have this measure of urgency

attached to them. They are not urgently important, although they may be important in the long run. For instance, there are two matters on the order paper which may be of far reaching, long range importance but which, even if they were passed in this session, could not come into immediate effect. One of these is the redistribution measure and the other is the Senate measure, the bill for which provides that it shall not come into effect immediately.

Therefore, Mr. Chairman, we feel that the state of the nation's finances is the most urgent problem before us in this house at this time. The upholding of the principle of control of expenditure and taxation is a fundamental right and a fundamental duty of the representatives of the people in parliament, and as this may be the only opportunity that we shall have to discharge that duty and exercise that right, we propose to take advantage of this opportunity.

As I say, if we had been given any indication of the plan of the government in respect of the budget debate, if we had been given any indication up to this Monday of the plans of the government with regard to the business of this parliament during this session it might not have been, and indeed would not have been necessary to adopt this procedure to bring about a debate which we consider to be of very great importance. But that has not been the practice followed by this government.

It would have been open to the government to have told us before now that this house will adjourn this session and that there will not be a session after Easter. In other words, it would have been possible for the government to have indicated, at least in a general way, the length of time this session would take and how much business we could expect to get through during that time, or it would have been possible for the government to have indicated during the last day or two that we will be coming back after Easter and that we will have an opportunity after Easter to deal with the business on the order paper and any additional business the government cares to bring forward.

The government has not followed either of these courses. The Prime Minister has preferred to keep parliament and the country in suspense, to play this cat and mouse game, this monkey-shine as it has been called, right up to the last minute, right up to today. Perhaps it is not of very great importance whether the opposition or indeed government members are kept in suspense in this unprecedented way, but it is of some importance to the country to be kept in suspense in this way. It is of some importance to the business of the country to be kept in suspense in this way and to have these contrived and manufactured election crises brought about and then removed, and then others brought about in their place. It seems to be a game which the Prime Minister delights in playing, perhaps because of some advantage he may think is in it for himself; but it is certainly to the country's disadvantage.

I would say that by this time the country has become heartily sick, as indeed some of the government's own supporters are, at the performance of the Prime Minister and his colleagues in this matter since January 18.

Mr. Fleming (Eglinton): The country is disgusted with the obstructionist tactics of the opposition doing everything to prevent proper debate. The budget would have been debated long ago but for that.

Mr. Pearson: The Minister of Finance once again talks about the obstructionist tactics of the opposition. Every day the government puts something new on the order paper and asks us to pass it in a couple of hours—

Mr. Fleming (Eglinton): No, no.

Mr. Pearson: —without telling us whether we shall have an opportunity to debate these matters after Easter. Just today the government changed its mind and decided that the copyright bill was of the first importance and ought to be considered tonight.

We do not know what may be on the order paper tomorrow. We do not know whether we will be here after Wednesday. We do not know what is going to happen because the government prefers to keep the house and the country in the dark and by doing that, as I said Mr. Chairman, is making the people of the country sick at this monkey-shine.

Mr. Flynn: Has the hon. member not assumed that he will not even get back where he is after the election?

Mr. Pearson: The minister is perfectly right. I will not come back here after the election; I will be coming back over there.

In any event, Mr. Chairman, the Prime Minister and the Prime Minister alone can bring this unsettling condition to an end. We were led to believe last week that he was going to do it today, that he was going to get up in the house and make a full statement. We have not heard about it today and it is high time we and the country were told what the plans of the government are, if they have any plans, with regard to the business of this session and the business of this parliament.

In view of the fact that we cannot get information on that, in view of the fact that we are not told we will be given an opportunity to debate the nation's business at this time, we propose to take advantage of this opportunity to do just that.

The Chairman: Order. It being ten o'clock I must rise to report progress and request leave to sit again at the next sitting of this house.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I wonder if the house leader could indicate what next item of business will be dealt with tomorrow, after we have completed the supply bill?

Mr. Churchill: Tomorrow, Mr. Speaker, in order to get through some of the business before the Easter adjournment we will start off with No. 12 on the order paper, the resolution dealing with the electoral boundaries commission, and then the motion in the name of the Minister of Agriculture concerning the international wheat agreement.

Mr. Pickersgill: That is of the utmost importance.

Mr. Churchill: We will then have the second reading of Bill C-79, to amend the Customs Act, and the resolution standing in the name of the Minister of Finance dealing with provincial taxes and fees of crown corporations. We will then deal with the resolution standing in the name of the Minister of Finance dealing with the Currency, Mint and Exchange Fund Act.

Mr. Martin (Essex East): Everything but the budget.

Mr. Churchill: We will then deal with the resolution in the name of the Minister of Transport dealing with the Freight Rates Reduction Act, the second reading of Bill C-86 concerning the British North America Act, and the resolution in the name of the Prime Minister concerning retiring allowances for senators. Tomorrow is a long day but the house could expeditiously get through most of that.

Mr. Pickersgill: Does the minister insult the house by suggesting that we are not going to deal with supply, which is our primary business? It is an outrage.

Mr. Churchill: The opposition has spent half this session dealing with supplementary estimates. The appropriation bill could pass in ten seconds, and after we have passed those other items we shall call that for tomorrow. I reserve the right to change the order of business I have announced tonight.

An hon. Member: You do it, anyway.

It being three minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

Supply—Items Passed

[The following items were passed in committee of supply]:

DEPARTMENT OF EXTERNAL AFFAIRS

696. Canadian representation at international conferences—further amount required, $115,000.

697. Grant to defray a portion of the costs of Canadian participation in the first session of the Atlantic convention, $6,000.

698. Contribution towards the furnishing of Marlborough House, London, England, in an amount of £310, notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of February, 1962, which is, $915.

Contributions to international economic and special aid programs—

Special aid programs—

699. Expenses in connection with Canada's participation in the world refugee year, for the completion of the tuberculous refugee program—further amount required, $64,000.

700. To reimburse the agricultural stabilization board for skim milk powder donated to international relief agencies, $114,282.

Other payments to international organizations and programs

701. Assessments for membership in the international (including commonwealth) organizations that are detailed in the estimates, including authority to pay such assessments in the amounts and in the currencies in which they are levied—further amount required in Canadian dollars, estimated as of February, 1962, $471,976.

702. Payment to the international civil aviation organization in part reimbursement of compensation paid to its Canadian employees for Quebec income tax for the 1960 taxation year—further amount required, $1,465.

703. To provide the international civil aviation organization with office accommodation at less than commercial rates—further amount required, $27,202.

704. Assessment for the United Nations Congo ad hoc account for 1961—to extend the purposes of vote 516 of the supplementary estimates, 1961-62, to provide for payment of the assessment for the said account for 1962 and to provide a further amount of $2,493,376 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars; the amount required in Canadian dollars, estimated as of February, 1962, is, $2,612,591.

705. Assessment towards financing the United Nations emergency force in an amount of $300,690 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of February, 1962, which is, $315,067.

706. Canada's share of the costs incurred by the United Nations of the Geneva conference on the settlement of the Laotian question, $11,000.

Loans, investments and advances—

761. Additional advance to the working capital fund of the United Nations organization in the amount of $2,391 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of February, 1962, which is $2,506.

762. Additional advance to the working capital fund of the food and agriculture organization in the amount of $9,694 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of February, 1962, which is $10,157.

763. Additional advance to the working capital fund of the intergovernmental maritime consultative organization in the amount of $560 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of February, 1962, which is $587.

APPENDIX

TEXT OF STATEMENT DELIVERED BY E. L. M. BURNS AT GENEVA CONFERENCE ON DISARMAMENT IN PLENARY SESSION, APRIL 12, 1962

I should like now to make a few remarks in my capacity as representative of Canada. We feel that we cannot remain silent in this very important meeting today, a meeting in which the statements made have reached a very high level of responsibility. The subject which is being discussed is one which is perhaps crucial to the opinion which the outside world will hold of our activities here and of the chances of success in our major task of obtaining general and complete disarmament.

In the matter of an agreement on the cessation of nuclear tests, we are, as representatives have made clear, somewhat at an eleventh hour, but the Canadian delegation feels that it is not too late, though it is very late. I should like to read into the record once more what the Secretary of State for External Affairs of Canada said in this regard at our fourth meeting on March 19. He said:

> We are opposed to all nuclear weapon tests. In this we share the view of most other countries. Indeed, the major nuclear powers themselves have stated at this very conference that they would like to see all tests stopped. However, they now find themselves unable to reach final accord owing to disagreement on inspection. Is there, then, no alternative to another series of tests with all the harmful consequences that such action would bring? Is it not possible, within the framework of this committee, to make the further effort which is required to break the deadlock. In my opinion, such an effort must be made, for otherwise the prospects of this conference itself could be seriously threatened.

He concluded by saying:

> In the minds of the public, the impression has been created, because of disagreement in these nuclear test talks, that this conference is going to be a failure. This, I submit, is a very bad situation and one which I hope will be clarified. Countries which do not possess nuclear weapons cannot put a stop to these tests. However, we can and do appeal to the nuclear states to do everything in their power to see that a solution is not further delayed.

The Canadian delegation has heard with the greatest of interest and sympathy statements made by the eight non-engaged members of this committee. We would like particularly to support the appeal of the representative of Mexico which, if I understand it correctly, was that the nuclear powers should submit again to their governments, with great seriousness, the possibility for some agreement, based on a move in their present positions, which has been submitted to them over the past few weeks, and particularly the last week or so, by the non-engaged states. We are very sympathetic to the efforts which these states have made to try to find some ground where views of the two sides could meet.

We were also impressed with what was said by the representative of Nigeria, when he summarized statements made by the Soviet union on the one side and the U.K. on the other side as to the support which they believe their positions have from non-engaged nations. I think he wanted to draw attention to what the non-engaged nations really want, and that is a cessation of tests and a feeling that there should be some effective measure of international control, associated with any agreement.

But, basically, after listening to the speeches this morning, it seems to me that all those nations which are not members of one alliance or another here want an agreement, and that means that there must be a reconsideration of positions.

We heard with interest, the representative of the U.S.S.R. who, as I heard him, said he was ready to think through all suggestions and ponder all possibilities. We heard a similar statement from the U.S.A. representative that these things had been considered and would continue to be considered.

We can see, through developments in this nuclear testing situation, that action creates reaction, and so it goes on. Cannot a stop be put to this? Cannot this thing be stopped somewhere? It seems to us that the representatives of nuclear powers here, in their arguments, are something like men wrestling on the edge of a precipice. Cannot they break loose, stand back, and think of the precipice that lies before them? We do not think, even if nuclear tests take place, that that should end the possibility of general and complete disarmament, but it certainly would have a grave effect on the proceedings of this conference and on the possibility of reaching an early agreement.

I felt it my duty, as representative of Canada, to put these views on record at this meeting.

HOUSE OF COMMONS

Tuesday, April 17, 1962

The house met at 2.30 p.m.

TRANSPORT

N.B.-P.E.I. CAUSEWAY—ANNOUNCEMENT OF CONSTRUCTION

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have two or three announcements I wish to make today. The first has to do with the Northumberland strait causeway. As the house knows, comprehensive studies were authorized by the government in January, 1958, as to the whole question of the building of this causeway. The government has now decided that a causeway will be built between New Brunswick and Prince Edward Island.

Studies to date have involved several government departments, consulting engineers and the national research council. An important part of the work was the construction of a scale model of the area by the national research council. The purpose of the studies undertaken has been to determine whether the project would be feasible from an engineering point of view and justified from an economic point of view. The answer in both cases is in the affirmative. The most economical crossing for road and rail traffic appears to be a combination causeway with navigation locks and a bridge between Jourimain island, New Brunswick, and Borden point, Prince Edward Island. The estimated cost is $105 million.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I am sure all members of the house on the eve of the election will have welcomed—

Mr. Hees: Except the Liberal party.

Mr. Pearson: —the announcement of the Prime Minister in regard to the causeway, something that was promised by this government during the last election. It is to be hoped, Mr. Speaker, that the cost of this causeway and other great national undertakings in the future will not have to be paid out of increasing deficits.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, it is obvious that there is an urgent cause for the causeway.

HOUSE OF COMMONS

STATEMENT ON LEGISLATIVE PROGRAM—ANNOUNCEMENT OF DISSOLUTION

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I come now to another matter of general interest to hon. members. It has to do with the current session of parliament, the program as yet uncompleted, and the viewpoint of the government in this connection. I held the view generally that an election might take place in September and I had in mind September 12, the date fixed for the by-elections some weeks ago. However, any person who has witnessed the delaying tactics—

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: —and the measure of obstruction practised by the official opposition during the present session—

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: —will recognize, as I think Canadians generally do, that it has become almost impossible to proceed with the business of the house.

Miss LaMarsh: A broken record.

Mr. Hellyer: The Pagliacci of the opera house.

Mr. Diefenbaker: Mr. Speaker, I find these interruptions and babblings quite interesting. I am trying to make a completely objective report.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. In asking for careful attention perhaps it would be well for me to indicate that this period is not one in which debate normally takes place and that depending on the nature of the statement of the Prime Minister the house, I am sure, would be prepared to accept comment of the same character. I say this so that we shall understand where we are proceeding at this stage.

Mr. Diefenbaker: Mr. Speaker, I am sure anything I have said up till now will not be debatable. When I look at the summary of the business of the house as of April 17, the 63rd day, I find that 25 days have been utilized on supplementary estimates, 2 days

on the main estimates, 8 days on the speech from the throne and 2 days on a supply motion, with only 25 days being utilized for legislation.

I summarize what I was endeavouring to say to my hon. friends opposite before the interruptions by saying that there has been no real effort to deal with parliament's essential business. We have had it on the order paper, but there has been only a pretence of dealing with it. Therefore, the only course open for the government is for me, as first minister, to go to His Excellency the Governor General, request an early dissolution—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —and invite the people to choose a new House of Commons.

Parliament will be asked, however, before we terminate to deal with the following measures; first, the resolution on redistribution, so that the bill may be brought before the house. The hon. member for Bonavista-Twillingate, on April 10, stated in effect that the measure to set up a redistribution commission, under all the circumstances, should be left over to the next parliament. It was, of course, not possible to bring it in earlier because if the commission had been set up it would not have been able to operate for the reason that the census is not yet complete.

The second measure that will come before the house today, I hope, is the ratification of the international wheat agreement. The third will be the Customs Act, and the fourth the appropriation bill. Then finally tomorrow, in the event that we proceed to complete the items in question, an application will be made for interim supply for a period of five months. If these matters are completed by tomorrow afternoon then the house, in the regular way, may adjourn, and later in the week I shall see the Governor General. We had also hoped to be able to come back to a consideration of the budget.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Hon. gentlemen may laugh, but the Leader of the Opposition will have every opportunity to deliver the speech he would have delivered when we come to consideration of the appropriation bill. The opposition frequently suggested an election, but at all times said that a proper accounting beforehand should be given, and that accounting has now been given.

There is one measure dealing with the other place which I had hoped to have passed, but it would take a very considerable period of time in the House of Commons and also in the other place. This issue, naturally, can be one of those that will be dealt with by the people during the course of the coming election. It is obvious that if we tried to complete the legislative program we would have months ahead, and I think it has generally been agreed by hon. members that the people expect an early election.

There is one matter to which I should like to make reference and that has to do with a problem with which I have not dealt on previous occasions, namely divorce. I realize there are strong feelings on this subject, but I would hope that those who have expended their money in order to get their bills before the house, those bills having been passed by the other place following examination, might well expect that their measures would be brought before this house and passed. Therefore, sir, without going into any details or becoming in any way provocative, tomorrow night, or if it becomes necessary on Thursday, this house will, as I said a moment ago, be adjourned.

So far as sitting Thursday is concerned, I find that while the hon. member for Laurier asked me the other day if I realized that it was a holy day, I find that I think it was 1953, when the hon. member was a member of the government of prime minister St. Laurent, the house did sit on the Thursday before Good Friday.

Therefore, Mr. Speaker, I shall recommend to His Excellency the dissolution of this house and the holding of the election on June 18.

Some hon. Members: Hear, hear.

Hon. L. B. Pearson (Leader of the Opposition): We on this side, Mr. Speaker, are delighted that the Prime Minister at long last has put an end to the contrived uncertainty surrounding the date of the election. We are delighted that the Prime Minister has once again changed his mind and has moved the date forward from September 12 to June 18.

The Prime Minister has given as the reason for this the obstruction that the government has encountered from the opposition in the discharge of its duties. The Prime Minister, in effect, has said that it was impossible for a government with 207 members in this house to get through its legislative program unless the opposition gave up the exercise of its cherished rights—

Mr. Fleming (Eglinton): Of obstruction.

Mr. Pearson: —in carrying out its duties. The Prime Minister, being a student of both history and music, will recall the words of the queen in Gilbert and Sullivan's "Iolanthe", speaking about a prime minister of that time in the nineteenth century. The queen, speaking through music, had this to say:

> Every bill and every measure
> That may gratify his pleasure,
> Though your fury it arouses,
> Shall be passed by both your houses.

The Prime Minister and his colleagues, however, were not sufficiently strong to prevent us from doing our duty in this house.

Mr. Fleming (Eglinton): Deliberate obstruction.

Mr. Pearson: The Prime Minister has now agreed, and we are delighted to get the announcement, that the election should be held at the earliest possible date. The country will be glad to get this announcement; not perhaps as glad as the official opposition, but it is high time this announcement were made. The country will in due course declare its verdict on the record of this government.

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the members of this party are extremely glad that the Prime Minister has at last terminated the state of uncertainty that has existed in this house and in the country for some months. We are also confident that this announcement will be welcomed by the Canadian people. As the leader of a party in this house—

An hon. Member: Acting leader.

Mr. Herridge: —which has an unblemished record—

Mr. Drysdale: You have not done anything.

Mr. Herridge: —we look forward to the verdict of the Canadian people on election day.

[*Later:*]

On the orders of the day:

Mr. Louis Fortin (Montmagny-L'Islet): Mr. Speaker, I have a question for the house leader. Would the house leader make sure that a few seats, possibly four or five, are reserved to the left of the Speaker so that just in case a few Liberal members are returned after the next election they may be assured of space in this house?

Mr. Hellyer: Such arrogance.

UNITED NATIONS

ELECTION OF CANADA TO COMMISSION ON HUMAN RIGHTS

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, Canada was today elected to the commission on human rights, one of the functional commissions of the economic and social council of the United Nations. The commission, which was established early in 1946, now consists of 21 members elected by the council for a period of three years. Canada will begin its term on January 1, 1963.

Inquiries of the Ministry

This is the first time Canada has been elected to the commission on human rights. It is a source of satisfaction not only to the government but, I am sure, to all Canadians that Canada will now have the opportunity to participate directly in this important international endeavour to promote and encourage respect for human rights and fundamental freedoms for all mankind, such as we have promoted within our own country.

EXTERNAL AFFAIRS

NUCLEAR TESTING—REPORTED STATEMENT BY PRESIDENT KENNEDY ON CANADIAN POSITION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister whether he cares to comment on a press report of a statement made in Washington this morning by President Kennedy, in which he expressed gratification with a statement made by the Prime Minister of Canada opposing an indefinite, unpoliced moratorium on nuclear testing.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the Prime Minister never at any time took such a stand.

Mr. Martin (Essex East): Oh, oh.

Mr. Diefenbaker: The Prime Minister's stand is the stand taken by this government throughout. We are opposed to nuclear testing—

Mr. Peters: This is Tuesday.

Mr. Diefenbaker: —but in so far as what is going on in Geneva is concerned, where they are gathered for the purpose of endeavouring to end this situation for all time by agreement, that is a matter quite aside from our general stand. We believe that any agreement between the U.S.S.R. and the west, any agreement effective with regard to the world, would only be effective and assured of being carried out provided there were reasonable means of verification.

Mr. Pearson: May I ask the Prime Minister a supplementary question. What steps does he propose to take to clear up this misunderstanding in the mind of President Kennedy?

Mr. Diefenbaker: I am sure there is no misunderstanding in so far as the President is concerned. As far as the opposition is concerned, I have tried for four years to clear up misunderstandings, without success. I cannot furnish intelligence.

Inquiries of the Ministry

NORTHERN AFFAIRS

REQUEST THAT ARCHAEOLOGICAL RESEARCH BE CARRIED ON IN CANADA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Northern Affairs and National Resources. I am sorry that apparently he had short notice of the question. In view of the importance of carrying out archaeological research in Canada, and in view of the many fruitful fields at present unexplored, would the minister assure the house that the senior archaeologist of the national museum, Dr. R. S. MacNeish, will be asked to carry out his research in Canada instead of going to Mexico and other countries at public expense for exploration and visits?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I understand that Dr. MacNeish is on leave of absence. He is engaged in archaeological research, endeavouring to get information on the origins of agriculture on this continent. I am sure the hon. member will agree that in matters of fundamental research scientists are no respecters of international boundaries.

[*Later:*]

Mr. Herridge: Mr. Speaker, I wish to direct a supplementary question to the Minister of Northern Affairs and National Resources. Is the minister aware of the large sums of money spent by the United States government on research into the history of agriculture in Mexico?

Mr. Dinsdale: Yes, Mr. Speaker.

Mr. Speaker: Not one of the more urgent questions.

ROYAL CANADIAN NAVY

SELECTION OF SHIPYARDS TO CARRY OUT CONSTRUCTION PROGRAM

On the orders of the day:

Mr. H. E. Smith (Simcoe North): Mr. Speaker, I have a question for the Minister of National Defence. Has the government selected the shipyards in which the new general purpose frigates will be built; and if so, what are these shipyards? If not, has the government decided on the method by which the shipyards will be selected?

Hon. D. S. Harkness (Minister of National Defence): No, Mr. Speaker, the shipyards have not been selected. As I indicated a few days ago, the first of these ships will not be laid down until next year, and in consequence it will be some time before shipyards for this building program can possibly be designated. As I stated at the same time, on April 12, I believe, the Canadian maritime commission is charged with recommending where naval ships should be built, and the responsibility of awarding contracts for their construction rests with the Department of Defence Production. All shipyards in Canada capable of building ships of this class will be given the opportunity to bid on contract specifications to be issued by the Department of Defence Production.

TRANSPORT

NEWFOUNDLAND—RAILWAY CHANGE FROM NARROW GAUGE TO STANDARD GAUGE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Prime Minister whether he expects to be in a position tomorrow to announce the beginning of the transformation of the railway in Newfoundland from narrow gauge to standard gauge, which he promised on his visit to Newfoundland five years ago.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. member for Bonavista-Twillingate has become a kind of Christopher Columbus recently and has gone out attempting to ascertain what promises we had made. When he got his answer he discontinued his search, because he found we carried out our promises.

With respect to the narrow gauge railway in Newfoundland, that matter, I said, would receive consideration.

Mr. Pickersgill: May I ask the Prime Minister a supplementary question. Is the Prime Minister aware that there are only four seats in Prince Edward Island and seven in Newfoundland?

Mr. Diefenbaker: Mr. Speaker, that is the finest revelation of Liberal mentality I have ever heard.

Mr. Hees: Any other questions?

Mr. Fleming (Eglinton): It is cold blooded Liberal expediency.

Mr. Pickersgill: Yes, I have several more.

Mr. Speaker: Order.

WELLAND CANAL—INQUIRY AS TO ABOLITION OF TOLLS

On the orders of the day:

Mr. W. H. McMillan (Welland): I should like to direct a question to the Minister of Transport. Has the government come to any decision as to the abolition of tolls on the Welland canal?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the matter is still under study.

CANADIAN BROADCASTING CORPORATION

HOCKEY—REQUEST FOR TELEVISION COVERAGE OF ALLAN CUP GAMES

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I wish to direct a question to the Minister of National Revenue. Since the Olympics of Montreal will represent eastern Canada against the western champions for the Allan cup, is the minister in a position to say whether these games, which are of national interest, will be televised in the east?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, there are so many games being played around this place at the moment that I have not had time to concentrate on deciding in my own mind which is the most important. However, I shall give the matter due consideration and will consult with the corporation. In due time, if the hon. member still has more than an academic interest in the matter, I shall bring forward the answer.

(Translation):

AIRPORTS

DORVAL—REQUEST FOR SATELLITE FACILITIES AT JOLIETTE

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to address a question to the Minister of Transport.

Does the minister intend to deal with the petition submitted to him by the city of Joliette and the junior chamber of commerce in the same city, to the effect that a satellite airport of the international airport of Montreal be built in Joliette?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, my department is now making a full examination of the possibility of building a satellite airport for the airport at Dorval. Considering the proximity of the Joliette area and also the determination shown by its distinguished representative, I want to assure the hon. member that Joliette will be considered when this question is studied.

Mr. Pigeon: Thank you.

AIR TRANSPORT

REQUEST FOR EXTENSION OF SERVICE TO SHERBROOKE, QUE.

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to put a question to the Minister of Transport.

Inquiries of the Ministry

Could the minister tell the house whether it is his intention, following the desire recently expressed to him by his worship the mayor of Sherbrooke, to invite Trans-Canada Air Lines authorities to inaugurate an air service at the Sherbrooke municipal airport within the next few weeks, which would give several members opposite the opportunity to make a last and quick political trip in my area before June 18?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, following the representations of my hon. friend from Sherbrooke and of the mayor of that city, I got in touch with Trans-Canada Air Lines authorities and asked them to conduct, as quickly as possible, a full inquiry as to the economic feasibility of an air service in Sherbrooke. I also asked officials of the air transport board to conduct a full economic inquiry into this project within the shortest possible time. I should receive the results of these two inquiries any day now.

(Text):

TRADE

MILAN—INQUIRY AS TO CANADIAN PARTICIPATION IN FAIR

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. My question is based on a report in the *Times* of London of April 13 to the effect that 80 nations are taking part in the Milan trade fair, which is considered the largest Italian trade fair. Could the minister inform the house whether Canada is going to be represented and, if so, could he tell us what principal Canadian exhibits will be shown?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I suggest that is a proper question for the order paper.

URANIUM—INQUIRY AS TO NEGOTIATIONS WITH UNITED KINGDOM

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Minister of Trade and Commerce whether he expects to be able to announce during this session of parliament the signing of the uranium agreement with the United Kingdom?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I have every hope that the negotiations are drawing to a close. We hope to reach a conclusion very soon.

Inquiries of the Ministry

MINES AND TECHNICAL SURVEYS

RESEARCH INTO NON-NUCLEAR USES OF URANIUM

On the orders of the day:

Hon. Jacques Flynn (Minister of Mines and Technical Surveys): Mr. Speaker, on Thursday last the Leader of the Opposition asked whether I could confirm a statement reported to have been made the other day in Elliot Lake by the chief of research for my department, Dr. John Convey, to the effect that in two years the department's research into non-nuclear uses of uranium could approach a state at which sufficient uranium could be needed to keep all mines at Elliot Lake in production.

My answer is as follows. On April 5, 1962 Dr. John Convey, director of the mines branch, was guest speaker at the annual banquet of the chamber of commerce in Elliot Lake, at which time he discussed the research work of the mines branch in the development of non-nuclear uses of uranium. As my hon. friend possibly knows, this research program began in 1959 in co-operation with the Eldorado Mining and Refining Company Limited. During the past year, 1961, the Canadian uranium producing companies have contributed toward the support of the program.

In reporting on the results of this experimental work on the use of uranium as an alloying element in ferrous materials, Dr. Convey mentioned that several of the fields of study had shown promising possible uses. He suggested that the program should be more vigorously pursued by both government and industry. Such a vigorously pursued co-ordinated program, he intimated, might possibly provide results within two years which could prove of real assistance to the Canadian uranium industry. From there to state that sufficient uranium could be needed within two years "to keep all mines at Elliot Lake in production" is pure speculation; and I am informed that no such specific statement was made by Dr. Convey.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the minister whether he can inform the house what steps are being taken to get in touch with the steel companies to encourage them to use this process in the manufacture of steel by hardening through uranium, to which the hon. gentleman referred.

Mr. Flynn: Mr. Speaker, I could not describe in detail this program which has been going on for two years. However, I may say we have received full co-operation from the industry. As I said earlier, the results of the research program to date have been highly encouraging, although we cannot draw any definite conclusions as yet.

[Mr. Hees.]

NATIONAL DEFENCE

INQUIRY AS TO RECRUITING PROGRAM FOR ARMED FORCES

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Can the minister advise the house whether there is any particular reason why the army and navy have been unable to recruit the additional men authorized last fall, and whether he expects they will be able to come up to their new limits soon?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, both the army and navy have been recruiting men at the rate at which they anticipated getting them. The recruiting has been going very well indeed. The navy has had a definite quota of men. The maximum they would take in any monthly period has been met.

The army, as I said, has been recruiting men at about the rate they expected to recruit them. They have recruited sufficient men, as a matter of fact, to overtax the training depots.

PUBLIC SERVICE

PATRONAGE—REQUEST FOR STATEMENT ON GOVERNMENT POSITION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I have a question for the Secretary of State stemming from a report in today's *Globe and Mail* to the effect that the head of the civil service commission, Hon. S. H. S. Hughes, Q.C., is reported to have expressed the view that the reform movement in patronage may have gone too far. My question is, could the Secretary of State indicate whether the government has also revised its views on patronage along the same line?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I have not seen the article to which the hon. gentleman referred. I shall examine it and endeavour to bring in an answer tomorrow.

FISHERIES

SEALING—ACTION TO PROTECT CANADIAN HUNTERS ON EAST COAST

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I wish to direct a question to the Minister of Justice, but in his absence may I direct it to his parliamentary secretary. Is the parliamentary secretary now in a position to answer the question which I put to him on April 10, to be found in *Hansard* at page 2663, about

the complaint that helicopters have been used in the theft of seal pelts from Canadian sealing ships?

Mr. Thomas M. Bell (Parliamentary Secretary to the Minister of Justice): We are still waiting for a full formal report on this matter. For information purposes, however, I might say that the 3,000 pelts seized at Souris, P.E.I. by the R.C.M.P. are being kept in cold storage under expert care.

(Translation):

HOUSE OF COMMONS

REQUEST FOR REPORT ON INVESTIGATION

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I put a question to the Secretary of State? Can the minister tell the house whether the investigation by the R.C.M.P. into the activities of his executive assistant and the electoral officer for Bellechasse has been completed? If so, could he report to the house on the result of same?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, yesterday afternoon I asked the chief electoral officer whether he had received any report, and he replied that he had not, as yet. Should he get that report today my good friend will be informed and I shall consequently make a statement in the house.

(Text):

Mr. Denis: May I address a question to the Postmaster General?

Mr. Speaker: Order. I recognize the hon. member for Sherbrooke.

CHARGE FOR USE OF GOVERNMENT AIRCRAFT BY MINISTERS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the Minister of Transport whether his department has made any charge for the use of government aircraft by the Prime Minister or other ministers of the crown when attending political meetings?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, a similar question was put on the order paper, and at the time my parliamentary secretary asked in the house that this question be made an order for return. As soon as the return is ready we will table it.

Mr. Hellyer: Stalling until after the election.

Mr. Pickersgill: Can the minister facilitate that return so it may be available while this parliament is still alive?

Mr. Balcer: I am doing my very best.

(Translation):

BRIDGES

JACQUES CARTIER AND VICTORIA BRIDGES, MONTREAL—ABOLITION OF TOLLS

On the orders of the day:

Mr. Maurice Johnson (Chambly-Rouville): Mr. Speaker, I should like to ask the Minister of Transport a question. Can he tell the house whether he expects soon to announce the exact date when tolls will be abolished on the Jacques Cartier and Victoria bridges?

An hon. Member: June 17.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, our discussions with the government of the province of Quebec and the city of Montreal are still going on and providing the federal government's proposals are accepted, tolls on the Jacques Cartier and Victoria bridges will be abolished next June 1.

(Text):

INQUIRY FOR RETURN

MANUFACTURE OF LIFT TRUCKS IN CANADA

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I might ask the Minister of National Revenue whether it would be possible for him to facilitate the return to a question which was made an order for return on March 5, having to do with power lift trucks?

Hon. George C. Nowlan (Minister of National Revenue): I will check on that matter and advise the house tomorrow.

Mr. Pickersgill: It would be desirable if the minister could do so before tomorrow.

PUBLIC WORKS DEPARTMENT

REPORTED USE OF STAFF TO SEND OUT CAMPAIGN LITERATURE

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I should like to ask a question of the Minister of Public Works. Has his attention been drawn to the rumours which are being circulated very widely, and which have resulted in many phone calls coming to me, indicating that the staff of the trans-Canada highway branch are being employed in sending out campaign literature and not on public work?

Hon. D. J. Walker (Minister of Public Works): The only helpful contribution I have ever received from the hon. member for

Ottawa West was the retailing of rumours. Unless he can come up with something better than rumours I do not intend to investigate.

Mr. McIlraith: May I ask a supplementary question. Will the minister check into the matter and ascertain whether these employees who are being paid out of public funds are spending their time on public work or on election campaign work?

Mr. Walker: If the hon. member can produce any proof with regard to these rumours, I should be very happy to do so. My office is always open for such information.

(Translation):

TRANSPORT

SOULANGES CANAL— INQUIRY AS TO TRANSFER TO QUEBEC

On the orders of the day:

Mr. Marcel Bourbonnais (Vaudreuil-Soulanges): Mr. Speaker, I wish to direct a question to the Minister of Transport. Can the minister tell us if he has received a reply from the Quebec minister of game and fisheries concerning the Soulanges canal?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I regret to say that I have received no reply yet.

Mr. Ricard: They are in no hurry.

(Text):

INDIAN AFFAIRS

DOIG RIVER, B.C.—REPORTED CLOSING OF SCHOOL

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I might ask whoever is Acting Minister of Citizenship and Immigration whether there is yet available an answer to the question I put on Thursday of last week about the Doig river Indians.

Hon. J. W. Monteith (Acting Minister of Citizenship and Immigration): Mr. Speaker, I shall be happy to have this matter looked into.

Mr. Pickersgill: And have an answer for tomorrow?

Mr. Hees: We are always ready to do our best.

HOUSE OF COMMONS

ESTABLISHMENT OF ELECTORAL BOUNDARIES COMMISSION

The house resumed, from Tuesday, April 10, consideration in committee of the following resolution—Mr. Diefenbaker—Mr. Martineau in the chair:

That it is expedient to introduce a measure respecting the establishment of an electoral boundaries commission for the readjustment of representation in the House of Commons; to provide that certain members of the commission may be paid such *per diem* allowance as may be fixed by the governor in council; to provide for the payment of reasonable travelling and living expenses for the members of the commission; and to provide also that the commission may engage the services of such technical advisers and other staff, including a person to act as secretary to the commission, as it deems necessary.

The Chairman: Shall the resolution carry?

Some hon. Members: Carried.

Mr. Pickersgill: No, Mr. Chairman; there are a few more observations that I should like to make about this resolution. I realize that anything I may say now is very much of an anticlimax after the announcements made on the orders of the day, but perhaps those hon. members who are not interested in listening to the proceedings of the house might find some other way to occupy their time; because we are dealing with a pretty serious matter.

The Chairman: I would ask all hon. members to listen very attentively to the remarks that are made.

Mr. Pickersgill: While you are very flattering, Mr. Chairman, in suggesting that all hon. members should listen attentively, I would not ask that at all. All I ask is that I be allowed to make myself heard by those who want to hear.

In the course of the statement the Prime Minister made announcing the forthcoming general election, he did participate in this debate and made an observation about this measure which I simply do not think can be allowed to go unchallenged. He made the statement that this commission could not be set up until the census was completed.

Mr. Diefenbaker: Not be operative.

Mr. Pickersgill: Not be operative. In my view that statement is not a correct view of the situation if this commission is to do its work seriously; because long before it can possibly hope to start redrawing the boundaries on the basis of the latest census returns, it will have a tremendous amount of preparatory work to do. As I indicated the other afternoon, I think it was, the second time this matter was before the committee, when Mr. Harris explored the subject with the chief electoral officer in 1950 and 1951 the conclusion he reached, and I remember this very well, was that one to two years' work by the commission would be required before it could possibly begin to delimit the boundaries. When Senator Power was in this chamber he spoke on this subject in 1947, and gave the same kind of indication as to the

length of time that would be required for the preliminary work in connection with this matter.

It is perfectly obvious that this would be the case to anyone who looks at the map of Canada, to anyone who considers for a moment the disparity in geographical circumstances, the disparity in population between one part of Canada and another, the natural features that bound the provinces and, particularly in the case of the first redistribution to be done by such a commission, the historical background of the whole matter; because I cannot conceive that any commission could ever bring in a report that would be acceptable to this house unless some account was taken of the historical background. Mr. Power, as he then was, gave a similar indication in this house as recorded on page 700 of *Hansard* for February 21, 1947. I am only going to give one or two brief quotations because I do not want to take a lot of time:

> —I would think, without having inquired into the matter from anyone, that parliament would be loathe to give to any commission or any committee the right simply to bring in an electoral map for the whole of Canada which would have to be accepted willy-nilly by the members of the house. I do not believe that any democratic house would so abandon its rights and privileges as to allow itself to become only a rubber stamp for any commission.
>
> Given that, I fear that the report of a commission would take a considerable time in its preparation and a considerable number of years before it would be adopted. We had all these things in mind, and we had one other thing in mind.

He was talking about some studies he had made before the second world war.

> We believe that there would be time enough before another election to unscramble and level off any difficulties. That was the position in 1940. The election took place in March, 1940, and it was proposed to introduce a redistribution bill in May, 1940.

I draw that to the attention of the right hon. gentleman. Mr. Power, who had made a very great study of this matter, suggested that it had been the intention to introduce a bill in May, 1940, which is precisely parallel to what I suggested the other evening; that if this matter was to be proceeded with in a proper and orderly fashion it should have been introduced in 1960 in order to provide adequate time, so that when the census returns did become available the months and months of preparatory work would have been done and the commission could then start immediately upon the actual work of delimiting the boundaries.

We know that the Prime Minister is not naive, especially about these matters, but I am sure no one in this house is so naive as to think that one can appoint a commission on Tuesday and expect it to start drawing these boundaries on Thursday. Even to suggest such a thing is quite ridiculous. The people who will be appointed to this commission, with the possible exception of the chief electoral officer, are unlikely to be people who have had any previous experience. I believe there are only three people in the country who have had any experience in this field, and they are the three members of the commission in the province of Manitoba. Unless those three people were to be appointed, the members, however great their other capacities, would be people who would be quite inexperienced and who would have a very big task to undertake before they came to the final job of drawing boundaries.

That is why I say again, as I said the other day, that if the government had any really serious intention of making this reform and making it effective at an early date after the census of 1961, the legislation would have been brought forward long before this. But having been brought forward at the time and in the circumstances it has been, I am glad that the government has abandoned the idea of attempting to rush it through at the very end of a parliament. I agree that it is a good idea to see the bill, because we will then see what is envisaged by the government. Those who are particularly interested outside the house, as well as the 260-odd members of the house, who I am sure will be very greatly interested, will have an opportunity of studying it; and in another parliament, in an atmosphere which may be calmer and less "obstructive," especially if it is done early in the new parliament as it will be done if there is the change of government we all anticipate, it should be possible to deal with the matter in an atmosphere as conducive to objective study as is ever reasonably likely to be achieved in a parliament in which partisan activity is the essence of the life of parliament. I have never made the slightest apology for being partisan. If I were not, I would not be in parliament.

I come now to the other point that I think needs to be emphasized once more. It is that the members of this commission, if it is to be satisfactory to us on this side of the house, must be named in the bill, and when substitutions are made those substitutions must be made by parliament. We on this side of the house are not content to trust any prime minister or any government, of our own party or any other, to make these appointments by order in council. Even if the wisest of appointments were made they would be open to imputation; and, the power being in a statute, no one can say what a future government might do in substituting one for another. Therefore I say what should be done is that

all the members and, if necessary, alternates should be named in the legislation itself by this parliament and not by order in council.

I think that is a most important point, because however pure the motives might be, however good the appointments might be, politics being what it is I am sure the imputation would be made that these appointments were being made from a partisan point of view. If they are made by parliament, any member of parliament could get up and object by moving that such appointment should be struck out. Then at least, there would be a debate about it and these matters would be aired in the open.

This brings up another matter for consideration. This commission is going to be charged with the task of determining these boundaries about which after every redistribution in the past there have been charges of partisanship, favouritism, gerrymandering, and so on, whether or not they have been deserved. I cannot believe that these charges will not be made in connection with any report made by any commission. There will be suggestions, no matter who the commissioners are, human nature being what it is. I would hope such charges would not be made from the front benches or in the house, but they will be made. I have not the slightest doubt about this; therefore I question the wisdom of having the commission composed of judges. It might be desirable to have a judge preside over the commission, but to have a commission composed exclusively of judges would be to drag judges into politics. We would run that risk. I am sure there would be a tendency, in the heat of party conflict, for such charges to be made, whether or not the charges were fair. I would hope that other persons with independent and objective minds and in other occupations would be chosen, as for example in Manitoba, where the president of the university was one of the commissioners. We must beware lest we bring the courts into politics in this endeavour to do something which, in itself, is very worthy.

With these observations, sir, I have relatively little more to say about the measure at this stage except to express regret that in this case, as in nearly every other case in the past four years, it has seemed to be impossible for the government to address itself to the business of the country at the time it should have been done. The more one looks back over the record of these past five years, the more one is struck with the fact that it has been progress from one blunder to another. This is not a major blunder but is more an omission than a blunder.

I was struck the other day, sir, by the extraordinary parallel between the situation in the last five years and the situation in the two years preceding the election of 1896. I ran across a reference in Sir Joseph Pope's diary to those days which confirmed the parallel, and which I am sure it would be unfair of me not to share with hon. members.

Mr. McGee: Mr. Chairman, I rise on a point of order. My point of order is one of relevancy. I am sure we are all fascinated by the hon. member's anecdotes, but there are others who would like to say a few words on this measure as well as other measures that might come before us. Perhaps the hon. member might be reminded that he is away out of order at this point.

Mr. Pickersgill: On the point of order, which I am sure Your Honour—

Mr. Diefenbaker: We would not want to deprive the house of this gem found by the hon. member.

Mr. Pickersgill: The Prime Minister is quite right in describing this as a gem; that was exactly my reaction to it when I found it. This paragraph describes the advent on the political scene of Mr. Mackenzie Bowell, one of the great Conservative prime ministers of this country and one of this Prime Minister's predecessors. There are only two sentences I wish to quote, sir, so the hon. member for York-Scarborough will soon be in a position to start obstructing, to use a word I would not use but a word the Prime Minister uses in describing speeches in the house by members who are not on the treasury benches.

Sir Joseph Pope was, I believe, assistant clerk of the privy council at this particular time and describes those days. This was after Senator Mackenzie Bowell, as he then was, became prime minister of Canada. A lot of people do not realize that in those days senators could aspire to be prime minister and not to sudden and unexpected retirement. Senator Bowell became prime minister, and Sir Joseph Pope describes what happened in these words:

> Then followed days which I never recall without a blush, days of weak and incompetent administration by a cabinet presided over by a man whose sudden and unlooked for elevation had visibly turned his head, a ministry without unity or cohesion of any kind, a prey to internal dissensions until they became a spectacle to the world, to angels and to men.

This, sir, was before the pilgrimage to Quebec at the end of 1961.

> At one period during the summer of 1895, I remember it was almost impossible to get public business transacted at Ottawa.

How like 1961.

> The session sat late. As soon as parliament rose, the ministers scattered.

History seems to repeat itself. The description in this paragraph seems to epitomize this

progress from blunder to blunder which has characterized the past five years.

Mr. Diefenbaker: I want to answer several points raised by the hon. gentleman. The first was that this commission should have been appointed a long time ago because, in his opinion, it would take a year or two before it would be sufficiently cognizant of the history of Canada and of redistribution to enable it to commence the actual work. He also stated on an earlier occasion that it would take two years before this commission could bring in a report. Whether this commission was set up or not, it would still take approximately two years' work in order to bring about redistribution. As the hon. gentleman knows, under the law our redistribution cannot start until the census has been completed.

The second point that he made was in connection with appointments. He wants a completely unbiased commission. He wants the commission named in the statute, and he does not want more than one judge on this commission. Well, if one judge would be proper for the commission, then his argument that several judges would be improper fails, because one judge would be regarded similarly as improper if there were any suggestion raised of a political nature in connection with the commission.

Indeed, I cannot believe it would be possible to bring about a more independent commission in order to ensure that the kind of gerrymandering which took place twice during the administration of the previous government will no longer be tolerated in this country.

When the hon. gentleman speaks of the traditions of parliament, of how parliament should operate and what consideration should be given to members, it is of great interest to recall that Mr. Power stated it was the intention of the then Liberal government to set up some kind of independent body in May, 1940. That brings to mind the cavalier treatment accorded parliament in the last days of January, 1940, when Mr. Mackenzie King, in pursuance of his promise that there would be another session of parliament, called parliament together. The speech from the throne was read by his Excellency the Governor General. There was a bit of debate in the house for an hour or so, and then Mr. King made a pilgrimage, not to Quebec but to Rideau Hall. The same day members commenced work was the day they left here without any opportunity to deal with the affairs of the nation.

That is something which should be recalled. At that time the hon. gentleman occupied a position of some responsibility.

Mr. Pickersgill: I was a third secretary.

Mr. Diefenbaker: I recall that when the hon. gentleman was appointed to the cabinet, Mr. St. Laurent said of him that in his position as clerk of the privy council "he has not been able to assist me in many of the things I would like to be assisted in, to the degree I would like". That is my interpretation of his words. Therefore he appointed him a minister so that he would be able to carry on and do all the things he said he would like to do. I shall not go into particulars because I know there are things the hon. gentleman would not want me to refer to at this time.

Mr. Pickersgill: I have no objection.

Mr. Diefenbaker: He also said he was going to keep judges out of politics. I wonder when he developed such a solicitude for the bench. I recall the days of the appointment of the chief justice of Canada to the Hong Kong commission. I recall very well some of the debates that took place at that time, debates of a very political and partisan kind. The government of Mackenzie King appointed the chief justice of Canada, and apparently the views of the hon. gentleman did not receive any more attention then than they are receiving today.

I shall not enter into any discussion regarding obstructions. We have dealt with that already, but I was interested in the hon. gentleman's reference to Mackenzie Bowell. That matter, of course, is known to all of us, and the quotation is not something that has not been heard before.

I simply rest my case by saying that the party to which the hon. gentleman belongs promised over and over again when in opposition that a non-political body would be set up to look after redistribution but, as conveniently as it was possible, the members of that party forgot their undertaking whenever they were in office. We gave this undertaking, and we do not endeavour to secure the support of the people of Canada on the basis of principles that were accepted as appropriate in the past. We have given leadership and have given hope to the country of a scientific redistribution that will not deny the maintenance of the principles of the past, so far as population and the like are concerned, but which will ensure that a map for electoral representation shall be created based on fairness and justice.

I do not think there is anything more I need add. The hon. gentleman has said that when the bill is forthcoming an examination can be made of it. That is so, but I can say to him that the names of those to be appointed do not appear in the bill. I know of no example in history where such a practice has ever been followed. However, we intend to

disclose who the appointees will be. We intend to place their names before this house, and our present purpose is to see to it that four of them will be superior court judges and one the electoral commissioner. We hope that one of the judges will be a judge of the Supreme Court of Canada. Another will be a chief justice of a province, a man who in years past participated in public affairs. Another member will also be a chief justice who has participated in public affairs, and two others will be chief justices who have not participated in either parliament or legislature. We want to ensure that when their work is done no one will be able to say that there has been domination in any way. Indeed, so far as the appointment of the judges is concerned, some of them will be judges who were appointed by the previous government and some will be judges who were appointed by this government. When men go on the bench they forget their partisanship, no matter how strongly they may have contended during the days they represented their areas in parliament or legislature.

We are trying to assure that there will be fairness, responsibility and justice. That is the purpose of this measure, and I hope the house will accept it so that the bill may be seen. Then after the bill has received consideration and after suggestions have been made by interested people across Canada, I am sure changes will be made in keeping with the representations that may be made.

It has been very difficult to draw this bill. We have not had any experience in the past of anything like it. It has been difficult to apply the principles followed in the United Kingdom and Australia, but what we have tried to do, as in all our administration, has been what is honest and fair.

Mr. Fisher: May I ask the Prime Minister a question. From what he has just said, is it his intention when the bill comes forward to announce the names of the appointees and then leave them on the hook during the long election period?

Mr. Diefenbaker: That is a rather novel way of putting it, but if hon. gentlemen feel that under the circumstances the names should not be made available now, and that is the general feeling of the house, then I certainly do not want anybody left on the hook.

Mr. McGee: Mr. Chairman—

Mr. Habel: Although I did not have any intention to take part in this debate—

[Mr. Diefenbaker.]

The Chairman: I wonder if the hon. member for York-Scarborough would give way. The previous speaker was a government speaker.

Mr. McGee: Certainly.

Mr. Habel: The Prime Minister referred to the dissolution in 1940 and, although I had not intended to take part in this debate, I believe the whole story should be told. I understand that in 1940 dissolution took place not long after the reading of the speech from the throne by the Governor General. Hon. members will remember that just a few days previously a motion of censure was passed in the Ontario legislature condemning the government of the day for its war efforts. In fact, at the same time there was a committee of 200 campaigning from one end of the country to another and stating that we needed a national government to carry on the war effort. The very night before the prime minister dissolved parliament—

Mr. Nowlan: Which government were you supporting?

Mr. Habel: Wait just a minute and I will tell you. Just be patient and you will learn something you may not know yet.

Mr. McIlraith: He made it very clear.

Mr. Habel: In fact, the night before dissolution of the house the premier of Ontario, who at the time was Hon. Mr. Drew, went to Hamilton—

Some hon. Members: No, no.

Mr. Habel: I should say the leader of the opposition in the Ontario house, who was at the time Mr. Drew, went to Hamilton and made a daring speech challenging the federal government to call an election on this issue. The prime minister of the day, Mr. King, accepted the challenge. On that motion of censure, for the information of the Minister of National Revenue, I must say that I was one of the 10 who voted against it, and I am proud of it.

This is to explain to the committee that in fact there was a very good reason for the then prime minister having a swift dissolution of parliament, and in fact he did call an election. Members of the actual government got their answer in March, 1940, when the Liberal government was returned with a very substantial majority.

Mr. Pallett: That will happen this time, too.

Mr. McGee: Mr. Chairman, I should like to make my remarks on this subject as brief as possible. It seems extraordinary to me that I should rise in this house, representing the number of people I do, and be accused

in advance by the hon. member for Bonavista-Twillingate of some form of obstruction. The fact of the matter is that this country is about to make a selection between two parties and examine the relative records of those two parties in a number of matters. When the matter of redistribution and the record of this government and the previous government are examined, the record of the previous government being one of bungling and political jiggery-pokery and the record of this government being progressive action and promises kept in this field, there is no doubt what the decision will be as far as this particular matter is concerned.

Mr. Chairman, the sole point I wish to make at this stage in the discussion of this resolution has to do with matters which have been raised by hon. members, to their credit in a very non-partisan way, and with the relationship between urban and rural representation. There have been cases put before this house, notably one by the hon. member for Port Arthur, who nearly had us all in tears describing the difficulties which he encountered in making and keeping contact with his constituency, involving as it does a large geographical area. The problem confronted by the rural constituencies generally has been placed before this house.

I have sympathy and consideration for the dilemma of these hon. members, but I would direct these remarks to the members of this commission and suggest that before they become too sympathetic about the remote areas and the rural constituencies they should give consideration to the people who consistently have been most abused as a result of redistribution in any form whatsoever. I have reference to the suburban dweller, particularly in the last decade and particularly surrounding the larger cities in this country. A quick look at the population figures produced a short time ago shows clearly that the growth in the perimeter of these cities has been spectacular. It was something that should have been considered and anticipated by the Liberal government which took responsibility for the redistribution bill that they placed before this house.

I suggest to the committee that the problem of the suburban voter in this country was callously ignored by that government. The fact of the matter is that as at the present time, at the time of the previous redistribution there were figures, zoning plans and anticipated areas of development which everybody else concerned with the problems of dealing with people had taken cognizance of in terms of industrial development and in terms of the various service industries in this country. Plans had been laid out at that time to expand into the shopping centre type of operation, and the major companies in this country dealing in retail merchandising had purchased land and made plans to move into these areas, when in fact at that moment of time the population had not developed as it did later on.

I suggest, again, that ignoring these clear and unmistakable signs at that time and bringing in the kind of bill which they did dealing with redistribution was a flagrant abuse of the democratic processes in this country. I suggest that the commission should address itself to the problem and recognize the fact that there has been and will continue to be a movement from the urban areas into the major cities in this country, and when they are setting up a population base in the perimeter ridings consideration should be given to the obvious areas of growth and expansion and not, as they did in York-Scarborough in 1950, add bits and pieces to that constituency, obviously designed for the political advantage of the Liberal party and coming up with a figure of 72,000, I think it was, for one of the largest constituencies in this country with potentially the largest and greatest expansion area. The suburban voter, I repeat, in every redistribution through the last 25 or 30 years has been penalized and has lost the effectiveness of his vote and representation in this house.

I submit again that this is the major problem and consideration which the commission should bear in mind in designating the boundaries in future. It is manifestly unfair by any standard or criterion one may attempt to apply to expect a single member in this House of Commons to perform, or attempt to perform, the job of representing, in the case of York-Scarborough, some 267,000 people as at last June. If the annual increase carries on in the way in which it has developed in the past five years, with a consistent increase of 20,000 people a year, the number of persons in the constituency of York-Scarborough will be closer to 280,000. This is unfair.

I suggested some years ago in my maiden speech, and the hon. member for Bonavista-Twillingate will remember giving me an assist at that time, that the constituency of York-Scarborough was not adequately represented in this house.

Mr. Pickersgill: I agree.

Mr. McGee: The hon. member for Bonavista-Twillingate has just said, "Hear, hear" with another meaning in mind than the one I intended. The fact of the matter is that we have to find some practical, long term method of removing this kind of disparity or preventing it developing in the future. I urge the commission and the commissioners to address themselves to this problem, and I wish them

well with one of the most important tasks undertaken by any commission in the history of parliamentary government in this country.

Mr. Pickersgill: Mr. Chairman, I have just a few very brief observations to make about the remarks of the Prime Minister. I do not wish to introduce any new subject. I regret that the Prime Minister's other duties have prevented him from being here to hear my observations. First on the question of judges, I think the Prime Minister and the committee will find when they examine my words that I said I had my doubts about the wisdom of appointing judges. I did not say judges should not be appointed, but I have the completest doubt about the wisdom of having judges appointed by order in council. If the names of the judges are in the bill, if it is debated here and agreed to on both sides of the house, that is one thing; then nobody has any complaint.

But if the government is given a blank cheque that is something else, even if it states which judges it is going to appoint in the first instance, judges are not immortal and governments are not immortal either, as this one is soon going to find. We do not know who the next appointments will be. This statute will not be just for one time only; it will be a permanent thing.

Whatever government brings forward the bill that is passed—and I do not think it will be this government—and whoever the members are, be they judges or anyone else, I hope they will be specified. Possibly it will be necessary to specify one or two alternates. However, they should be appointed by parliament and replaced only by parliament, because this is not the government's business but the business of parliament.

In the past it has been complained that the government used its majority to influence these things. It would be far worse to let the government do this without even the support of its majority. It may well be that some of the appointments will have to be judges, and I do not rule that out. If we could find other independent and objective persons about whom there would be agreement, I say that would be preferable. I do not go beyond that. I feel that a real search should be made to see whether we need to take the risks with the courts; and there are many risks involved. The Prime Minister himself indicated that when he referred to Chief Justice Duff and the Hong Kong inquiry. I was rather surprised that the Prime Minister should have referred to that, because a bitter and partisan attack was made on Chief Justice Duff by the Prime Minister's erstwhile leader, Mr. Drew, in my opinion a totally unjustified attack. We wish to avoid the occasion for that kind of thing happening to judges as much as possible. In fact I thought the Prime Minister gave the strongest support to my contention in that very example he cited.

The Prime Minister wished to contrast his record in this matter with that of the Liberal party. It is quite true that it was a part of the program of Mr. Mackenzie King at one time to establish a commission such as this, and he did not do it. I admit that at once. It was also a promise made by the right hon. gentleman in Carman, Manitoba, in May 1957, and he is now going into his third election not having done it. He has no more kept his promise than Mr. King kept his. Both of them introduced legislation which was not passed; that is all that happened. In other words, the right hon. gentleman is going to try to use this promise for a third election, because until the statute is there it is only a promise; and should the Prime Minister be returned—and we say he will not be—if his performance in another parliament is at the snail's pace it was in this one, this may be used for a fourth election.

As a matter of fact the Prime Minister made a number of promises about changes in parliament. He promised to call a dominion-provincial conference to discuss Senate reform. Five years have passed and nothing has been done about that conference; it has not even been suggested. He promised legislation to reduce the length of election campaigns. We never heard about that once the promise was made and the election was over. I have in my hand a list of all the promises. He also promised to make the Senate more independent of the government. How does he propose to do that? By removing Liberals so he can appoint Tories. But he has not even done that. He has not carried out any of these promises; they are still promises.

Some hon. Members: Order.

Mr. Pickersgill: Well, I did not introduce this question of promises; it was the Prime Minister who did. I said nothing about them until the right hon. gentleman brought up the subject.

Mr. Pallett: He referred to only one.

Mr. Pickersgill: He referred to something in Mr. Mackenzie King's program. I am just pointing out that there are at least five or six promises—indeed there are seven promises—which the Prime Minister made with respect to parliamentary reform not one of which has yet been carried out, and we are told that tomorrow is to be the last day of this parliament. In this one narrow field alone, the field of parliamentary reform, that is the record of promises kept. As I say, I do not think that is strictly germane to the

point, but since the Prime Minister chose to introduce the subject it seemed to me it should be replied to.

Mr. Nowlan: Mr. Chairman, I wish to comment for one moment on the remarks made by my friend the hon. member for Bonavista-Twillingate. He has talked about the third election in which the Prime Minister has made promises which, in the contention of the hon. member, have not been carried out despite the fact that this is the third election. When was the first election? The first election was when the right hon. gentleman was leader of the opposition.

Mr. Pickersgill: I have not dealt with the promises he made then.

Mr. Nowlan: I know that the government of which the hon. member for Bonavista-Twillingate was a member was weak, impotent, doubtful, shuffling, ineffective, vague and all the other adjectives which could be applied; but be that as it may, surely it could not be expected that the then leader of the opposition, now Prime Minister, could have implemented legislation, so the fact of the first election has nothing to do with implementing his promise.

How many months intervened between the first and second elections? I remind the committee that we were in a minority position all the way through. Does anyone suggest that in that minority position we should have brought in legislation establishing an electoral boundaries commission? That disposes of the second election.

The third election, as the Prime Minister said this afternoon, is in the very near offing; I think he said it would be some time within the next few weeks.

Mr. Pickersgill: He said June 18.

Mr. Martin (Essex East): Does the Minister of National Revenue not know the date of the next election?

Mr. Nowlan: Well, there have been so many prophecies made by other people—

Mr. Martin (Essex East): The Prime Minister announced it.

Mr. Hellyer: Has the Prime Minister not told the cabinet yet?

Mr. Martin (Essex East): Surely the Prime Minister takes the Minister of National Revenue into his confidence.

Mr. Nowlan: Shuffling Paul has become so exhausted that he now sits at the rear of the chamber and interrupts from his seat instead of rising to his feet.

Mr. Martin (Essex East): Having returned to my place and standing on my feet let me say to my amiable hon. friend surely he knows that the Prime Minister has already decided on the election date. Surely the Prime Minister discussed that with all his cabinet colleagues before he came into parliament.

Mr. Nowlan: Again my hon. friend in his usual rude way is speaking out of order and without any justification whatever; but that is neither here nor there.

Something has been said about the fact that this bill is being introduced too late. My friend the hon. member for Bonavista-Twillingate admitted that a measure of this kind was in a program of his leader Mr. Mackenzie King at one time. Of course that right hon. gentleman had so many programs at one time and another I am not sure which was what. In 1951 I believe Mr. St. Laurent was prime minister. Let us suppose that he had brought in a redistribution bill at that time, following the decennial census. Let us suppose that parliament had enacted it and it had become the law of the land. What would be the situation today? The commissioners who might have been named in the bill or appointed by the government of the day at the time of the census would not have been able to start operations because the census returns would not yet have come down. It is all right for my hon. friend to talk about preliminary measures and preparatory steps. Surely these are taken. As my hon. friend knows very well, the electoral officer has maps for every constituency in Canada; but they can be of little practical use until such time as the census returns are in and the commission has been set up. I say again that if this legislation had been passed ten years ago and was on the statute books, and a redistribution commission had been appointed following the decennial census of 1951, the commission would not be in any better position to carry out redistribution than will be the commission that is to be created under this legislation.

Due to the exigencies of the occasion it may be that this commission will not be appointed and will not be able to start operations in the immediate future; that depends upon parliament and the time that is left to parliament to consider the various matters with which we are confronted. But whatever the time may be, and whatever the exigencies of the present moment may be, it is idle to say that this measure should have been brought in last year or the year before, or to say that one parliament has gone by or two have gone by without action having been taken.

I do not wish to trespass on the time of the committee. I suggest we have spent considerable time discussing this matter. I think this

is now a sort of shadow-boxing affair. I believe that every hon. member who has participated in this debate, including the hon. member for Bonavista-Twillingate and the hon. member for Port Arthur, has spoken in favour of the principle. All we have in the resolution before us is a principle approving the establishment of a commission. I suggest we defer further debate on the matter. There is a delightful degree of unanimity among us concerning the establishment of a commission. That being the case, let us see the terms of the bill.

I will tell my hon. friend this immediately, as I think the Prime Minister did. There are no persons named in the bill. There are persons designated, such as the chief electoral officer. Speaking of making—and I do not think I need to refresh my memory on this; my hon. friend can correct me if I am wrong —I doubt whether the act which sets up the office of chief electoral officer, the chief officer of this parliament, names Mr. Nelson Castonguay as the chief electoral officer. I should like to know when we have had an act which named officials or designated their names. We do not propose to name the commissioners in this act. I am perhaps violating the rules in saying this. Unnamed but designated is the chief electoral officer, who is to be one of the commissioners because of his experience as an officer of the House of Commons.

So I would say again that, if we did name them, as time intervened what happens, even if we named alternatives? That would be rather a loose way of dealing with a situation such as this. I think it is much better to have the government of the day come forward and say that if enacted it proposes to name Mr. A, Mr. B, Mr. C, Mr. D, and Mr. E, that these are the gentlemen they propose to name and to have parliament then act, rather than to incorporate their names in a bill and then possibly having delays, possibly with the bill being delayed in passing or, possibly, death, illness or sickness intervening in the meantime. Then what do you do? Do you have the matter stultified? Do you go on with a minority commission? You could name three or four commissioners and then as the result of a motor accident they might be killed overnight and the whole thing comes to a stop and you have to start all over again.

These are all possibilities. When the bill is before the house or before the committee I think you will find there may be points to criticize it in; there may be legitimate matters of criticism. However, I suggest that the time has come when the committee should approve the resolution in order that the bill may be introduced, so that it may be read by hon. members of the house, and consideration may be given thereafter.

Mr. McIlraith: There is one brief remark I should like to make arising out of the remarks of the Minister of National Revenue. The point at issue and the suggestion being made was that the persons to be appointed to this commission be appointed by parliament as opposed to cabinet appointment or government appointment. In his references to the chief electoral officer the minister indicated that the name was not given in the act. I believe that to be the case. However, his argument fails from that point on. As I understand it the chief electoral officer is not appointed by order in council. He is appointed by a resolution of this House of Commons. In other words it is perfectly clear that he is appointed by parliament and is an officer of parliament. The argument made earlier in this debate was that appointment to this commission should come from parliament as opposed to being a cabinet appointment, and not that the surname and the first name of the individual should necessarily be included in the act. I think that is the distinction. I am sure the minister would not wish the matter to be left without clarification.

Mr. Nowlan: I agree with the hon. gentleman and I would make this suggestion to him; I think he will agree with me. In general let us suppose, as the Prime Minister said, the bill receives second reading and when it is in committee stage following reading, the government says "We are going to name A, B, C, D, and E to be members". I will go further. If in moving second reading the government announces it is going to name A, B, C, D, E and F, then if parliament, having heard the names not incorporated in the bill but having been announced to parliament by the Prime Minister, subsequently proceeds to enact the legislation, then certainly parliament is passing the legislation knowing the names of the commissioners and actually as well as tacitly approving of the persons who are to be named to the commission. If by some accident or some intervention changes must be made in the personnel afterward, as a result of accident, death or illness, then you certainly have more flexibility by dealing with it in that way than by naming them specifically in the bill.

Mr. McIlraith: At the resolution stage we are dealing with the question of whether the government should have permission to present the legislation. I think the point is being made that they should only have permission to introduce the legislation on the premise that

the appointment of the personnel remains with parliament as opposed to being transferred to the cabinet. I think that is the point. I do not wish to pursue the subject further, but I thought it should be clarified.

Mr. Pickersgill: I wish to say just one word, as I think the hon. member for Port Arthur is being unduly modest. Every year the hon. member for Port Arthur gave the Prime Minister an opportunity to carry out his promise. After all, this parliament has gone on for four years. If the Prime Minister had been genuinely anxious to establish this commission and not merely to use it as another promise for a third election, this legislation would have been introduced in plenty of time to be passed and not at the last moment when it was sure not to be passed. That is why I say this promise has not been kept. The mere introduction of legislation and the making of excuses are not keeping promises.

The Deputy Chairman: Shall the resolution carry?

Mr. Fisher: I am going to accept the argument of the Minister of National Revenue and allow this resolution to move on. However, I wish to say that there has been a great deal of hogwash in this debate, including a bit from the Prime Minister. For the benefit of anyone who reads *Hansard* I should just like to put on record the statement that at the next stage of the legislation I hope to take up some of these points that seem to me to be rather nonsensical.

The Deputy Chairman: Shall the resolution carry?

Some hon. Members: Carried.

Resolution reported and concurred in.

Mr. Nowlan (for the Prime Minister) moved for leave to introduce Bill No. C-87, respecting the establishment of an electoral boundaries commission for the readjustment of representation in the House of Commons.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the said bill be read the second time?

Some hon. Members: Now.

Mr. Pickersgill: Next parliament.

Mr. Deputy Speaker: Next sitting of the house.

TRADE

APPROVAL OF INTERNATIONAL WHEAT AGREEMENT

Hon. Alvin Hamilton (Minister of Agriculture) moved:

International Wheat Agreement

That it is expedient that the houses of parliament do approve the international wheat agreement to be opened for signature at Washington, D.C., on April 19, 1962, and that this house do approve the same.

He said: Mr. Speaker, on March 12 the Minister of Veterans Affairs (Mr. Churchill), acting on my behalf, announced to the house the successful conclusion of negotiations in Geneva for a new international wheat agreement. The new agreement is to be opened for signature in Washington from April 19 to May 15. The other house has already approved this resolution, and if this house also approves the agreement the Canadian ambassador to the United States, Mr. Heeney, will be signing the agreement on behalf of Canada and will formally deposit Canada's instrument of acceptance in accordance with the terms of the agreement.

There are only a few points that perhaps I should make at this time. The first is that the agreement has the support of the heads of all the producer organizations in western Canada who, as members of the advisory committee to the Canadian wheat board, were part of the Canadian delegation to the wheat conference. I think it would be appropriate for me to list once again the names of these producer advisers: Mr. A. W. Runciman, president, United Grain Growers Limited, Winnipeg; Mr. J. S. Stevens, director, United Grain Growers Limited, Winnipeg; Mr. G. W. Gibbings, president, Saskatchewan wheat pool, Regina; Mr. A. P. Gleave, president, Saskatchewan farmer's union, Saskatoon; Mr. Gordon L. Harrold, chairman, Alberta wheat pool, Calgary; Mr. W. J. Parker, president, Manitoba wheat pool, Winnipeg.

I should like to say that from the Canadian point of view the 1962 agreement represents an improvement over the 1959 agreement by reason of the higher price range, the maximum being $2.02½ to a minimum of $1.62½ compared with $1.90 and $1.50 respectively in U.S. currency per bushel. Another reason for considering it an improvement is the heavier obligations of the importing countries and the improved safeguards for commercial marketings. In addition, there is the prospect that the U.S.S.R. will ratify the agreement and widen the membership to cover all important exporting countries.

Perhaps I might emphasize here the significance of the current discount on the Canadian dollar as far as producer wheat prices are concerned. In Canadian currency the new maximum and minimum prices will be almost $2.14 and $1.71½.

I trust, Mr. Speaker, that this resolution will go through expeditiously so that we can be one of the first countries to affix its signature in Washington to this very important agreement.

International Wheat Agreement

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I think the house will bear with me if at the outset of my remarks I express pleasure at the minister being able to pilot this resolution through the house. I believe it is the first major item of house business that he has undertaken since his illness, and I think I express the feeling of all here when I wish him a continued rapid recovery and good health.

The minister has expressed the hope that the resolution will not take an undue length of time in view of the government's wish that Canada should be one of the first countries to accede to the agreement. I for one think that is a very proper request because of the tremendous interest Canada has in this agreement. It is most appropriate that we should do so, and for my part I do not propose to take any considerable time in dealing with this matter. However, I must say quite frankly that if it had not been for the interesting announcement of the Prime Minister earlier today on motions, in which he made it perfectly clear that we are on the eve of the dissolution of parliament, I should have liked to ask that this agreement go before one of the standing committees or a special committee of the house for examination.

There is a tremendous amount of information about the agreement itself and with respect to developments since the four previous agreements were signed, the changes throughout the intervening years and the prospects for the future in the world wheat trade that should be made available to and examined by a committee of the house. However, I will put hon. members at their ease at once by saying that in the light of the Prime Minister's announcement earlier today about the imminence of dissolution I have no intention of making such a request now. Notwithstanding the fact that the house will have approved of this agreement, I do express the hope that in another year it will be possible to have the agreement examined, perhaps when the report of the board of grain commissioners is under study. It has been suggested to me that I should give such an undertaking. I would be quite happy to do so but it might be that some hon. members on the other side would not want to accept such an undertaking. In any event, I think this is a subject that deserves study by a committee.

The bringing of an ever larger proportion of the international trade in wheat under this agreement has been a most interesting development since the first agreement was entered into in 1949. Under each of the five agreements since then the percentage of wheat traded under the agreement has increased. I have no means of verifying the estimate I have been given, but I have been informed there is a good expectation that 85 per cent of all wheat traded will come under this agreement, whereas under the agreement now current the figure is 65 per cent.

There have been some other interesting developments as each agreement has been succeeded by a fresh one. In 1959 quite a change was made, in that machinery was set up to provide for an annual review of the trading in wheat. These annual reviews have been of great benefit and have provided the kind of information that has improved conditions in the international wheat trade. They have, indeed, provided the kind of current background information that in my view is necessary if the objectives of the agreement are to be carried out.

In listening to the speech of the minister I noticed that he did not put the objectives on *Hansard*. I should like to take a moment to do so. They are contained in article 1, which reads as follows:

> The objectives of this agreement are:
>
> (a) To assure supplies of wheat and wheat flour to importing countries and markets for wheat and wheat flour to exporting countries at equitable and stable prices;
>
> (b) To promote the expansion of the international trade in wheat and wheat flour and to secure the freest possible flow of this trade in the interests of both exporting and importing countries, and thus contribute to the development of countries, the economies of which depend on commercial sales of wheat;
>
> (c) To overcome the serious hardship caused to producers and consumers by burdensome surpluses and critical shortages of wheat;
>
> (d) To encourage the use and consumption of wheat and wheat flour generally, and in particular in developing countries, so as to improve health and nutrition in those countries and thus to assist in their development; and
>
> (e) In general to further international co-operation in connection with world wheat problems, recognizing the relationship of the trade in wheat to the economic stability of markets for other agricultural products.

Those are objectives that I think will commend themselves to the house. Indeed, I think I should say that as nearly as I can find out, all producer and farm organizations in this country concerned with wheat production have indicated their approval in the main of this agreement, and that is the general atmosphere in which we are considering this matter today. The information being built up by the wheat council is of a continuing nature, and the distribution of it is being made to an ever increasing number of participating countries. When you look at the list of participating countries you can readily see the extent of the interest in this matter throughout the world. As a matter of fact, an indication of the importance of this

subject is the fact that it is one of the few areas in which there is every indication the U.S.S.R. will be participating in the ordinary way, as it now does in the postal field but in very few other fields today. This is of some significance.

It is regrettable that since this wheat meeting took place under the Food and Agriculture Organization of the United Nations that communist China is not a participant in the discussion. The magnitude of the recent sales to that country indicates that it is quite a factor in international wheat trading. It is regrettable that the circumstances are such that they have not participated in the discussions on this subject. Perhaps it is idle to foretell what the future holds in this case, but if that volume of wheat was included under the agreement it would make a very material change and would mean the wheat agreement would be more nearly all-embracing than anyone thought possible at the time the first agreement was entered into.

There are other minor improvements in the articles of the agreement. Perhaps it is not germane to deal with them here. Perhaps they are of a nature which would enable us to deal more properly with them in committee. Since they are not controversial so far as I am concerned, there is no need to develop the discussion of them at this point. There is one part of the agreement that I should perhaps mention. Article 3 deals with commercial purchases and special transactions, and provides a better definition, greater clarity in defining what is a commercial purchase and in delineating between commercial purchases and special transactions. This is a very useful thing and it is fortunate that so much agreement has been achieved on this point because for a period, particularly under the current agreement, there was great concern over special transactions of one kind or another, sometimes referred to as surplus disposal programs, particularly by one of the major exporting nations of the world. These programs were upsetting the possibility of getting any stability in this international wheat trade. The improvement in article 3 will, I think, help to remove this fear, and the provisions of the agreement give the wheat council a degree of control on this point that can only be helpful in solving the whole problem.

Since we are in accord generally that this agreement should be signed by this country, Mr. Speaker, and since the smaller points are not controversial but are of a nature that could be dealt with better in a committee, and since this is not practical in view of the Prime Minister's indication of imminent dissolution, the appropriate thing to do is to indicate our concurrence in the resolution and not pursue the matter further at this stage.

Mr. D. M. Fisher (Port Arthur): I should like to join with the hon. member for Ottawa West (Mr. McIlraith) in wishing good health —I was going to say good luck to the minister but I do not know that he may need it —to the Minister of Agriculture (Mr. Hamilton). Any agreement about wheat has to be of some interest to any member from Port Arthur, since it is very easy to make the claim, which is a truthful one, that there is more wheat in the constituency of Port Arthur for most of the year than in any other place in Canada. This statement is certainly true at the moment because the elevators are coming close to the full position as we wait for the opening of the shipping season.

It is of interest to note, in connection with the agreement before us, that I just happened to be looking at the Searle Grain Company bulletin the other day. This bulletin notes that the agreement has been variously hailed in Canada on the one hand as a necessary and desirable measure to ensure equitable and stable wheat prices to both exporters and importers and, on the other, as more or less a meaningless pact, so much window dressing. Our party, with its roots for so many years in western Canada, has always put to the fore the idea that anything that will improve and increase the price and orderly marketing of wheat is of importance. As I look at the agreement, and at the comments that have been made about it, it is certainly questionable just how effective this agreement will be, just as it is questionable how effective the last one was. Since it is an attempt in the international field to obtain recognition of the fact there must be orderly marketing and some kind of stable pricing mechanism, maximum and minimum prices, to afford some kind of security to the farmers of the world, we think it is an excellent move, and without any great contradictions or criticisms or suggestions we intend to support it.

Motion agreed to.

CUSTOMS ACT

AMENDMENTS RESPECTING PROCEDURAL CHANGES AND EXTENSION OF TIME FOR APPEALS

Hon. George C. Nowlan (Minister of National Revenue) moved the second reading of Bill No. C-79, to amend the Customs Act.

Mr. Pickersgill: Is the minister not going to give us a brief explanation of the bill?

Mr. Nowlan: I gave an explanation of this bill when it was introduced for first reading. There is very little more I can say at this time in addition to what I said on that occasion. This bill deals with various sections of the Customs Act in so far as procedure is concerned. It extends the time for various steps to be taken under the Customs Act, and I believe that the individual matters dealt with in each section would be easier to deal with when we are in committee than when we are in the house.

All I can say about the general principle of the bill is that it is a relieving measure. In every case it increases the time given to importers for taking certain steps which are necessary under the Customs Act, and this has been requested in briefs submitted to the government over the past several years by various associations such as the Canadian Chamber of Commerce, the Canadian Manufacturers' Association, the Canadian Bar Association and others. We have adopted certain of these proposals and are asking that the times mentioned in individual sections of the present act be extended to the times set forth in the bill.

Mr. G. J. McIlraith (Ottawa West): I think I am justified in saying that the Minister of National Revenue is in a most conciliatory humour this afternoon.

Mr. Nowlan: Surely he is always?

Mr. McIlraith: I do not know as I would agree on that point. In any event, perhaps it is due to the announcement made earlier this afternoon by the Prime Minister and, if it is, then it is all to the good. I might add that the announcement was most welcome to me. I hope the minister's conciliatory mood is contagious and will influence his hon. colleague on his immediate right at the moment.

Mr. Nowlan: He is influencing me.

Mr. McIlraith: I would say at once to that, heaven forbid. Dealing with the bill, it is not my intention to develop an argument at length on the second reading. There are some particular questions I wish to ask the minister about different clauses in it and about different representations that have been made, and I can properly do that on committee stage. This is simply an amending bill changing the periods of time stipulated in certain sections of the act within which either importers or the departments may do certain things.

It is very difficult to discuss a question of principle on a bill of this kind because basically it is not a matter of principle that is involved. Rather, it is basically a matter of administrative practice. The principle has already been dealt with, that there should be certain rights of appeal and so on, and certain rights to refund overpayments and that sort of thing. Therefore the principle is not really in issue, but I believe it is fair to say with regard to these extensions of time and the changes in the periods of time allotted, that there has been a great deal of friction between importers and the departmental staff. Indeed, if it is fair to use the term, I would say there has probably been more friction and more difference of opinion on that than on any other matter contained in the act. I believe I am justified in going that far.

As I recall it, this matter was debated very strenuously some six or seven years ago.

Mr. Nowlan: 1955.

Mr. McIlraith: Yes, and I recall in that debate the Minister of National Revenue was his amiable self but some of his colleagues, who have since been promoted to ministerial rank, were anything but amiable. Indeed, on reading the debates it would seem they went to extraordinary lengths in attacking the government of the day for what it was seeking to do. The government was seeking to improve the act as it then stood, and to improve it in the same general direction as the minister is now seeking to improve it. However I must say those debates were anything but helpful and I hope any remarks I make on second reading or on committee stage may prove to be more helpful than they were. The remarks made at that time were certainly notable for their severity but were not so notable for their real appreciation of the problems and how they should be handled.

During the few minutes at my disposal today I was able to turn up some of the representations made by the Canadian Manufacturers' Association in 1959, and I shall read a paragraph from them to indicate the nature of the problem. It reads:

> It will be noted particularly that the time allowed an importer in which to apply for refund of duty overpaid under an erroneous construction of the law has been reduced to sixty days from three years previous to 1951, and from two years between 1951 and 1955. Sixty days is considered to be entirely inadequate for companies whose business is conducted on a national scale and whose customs transactions are reviewed at head office. Moreover, if through an error in interpreting the very complex customs tariff law, or from lack of knowledge of a departmental ruling or a tariff board finding, an importer overpays duty, it would seem only equitable that he should be allowed a reasonable length of time in which to recover the amount overpaid.
>
> The association believes that this period should not be less than six months.

I take it that the bill before us provides 90 days, one half the time they requested. Their representation continues:

> There is another serious objection to the provisions contained in the new Section 43. This is that

only dominion customs appraisers can make a redetermination of tariff classification or a reappraisal of value.

There are many instances in which the port appraiser can adequately deal with refund claims due to errors in rates of duty or valuation. Therefore, the necessity of referring all such cases to a dominion customs appraiser is not apparent, particularly in view of the fact that all refund claims are subject to departmental scrutiny before payment is finally authorized. Referring every such case to a dominion customs appraiser no matter how simple the problem involved or how small the amount of refund claimed, must result in a tremendous volume of unnecessary paperwork and in delays in the payment of refund claims. Of no less importance is the fact that much of the time of dominion customs appraisers is now spent in the review of refund claims which should never have been submitted in the first place.

I put that on record to indicate the nature of the problem, and perhaps I do not need to develop the subject further because we can take each clause and deal with the point raised in it, in committee. The minister may reply that the former government made similar changes in the time allowed to apply for a refund of overpayment, but the proposal here that the time limit should only be limited number of days has to be examined in the light of the fact that these matters are dealt with all over the country at customs ports, but the claims for refunds have finally to come to the head office for decision. From the point of view of an importer, that presents all kinds of administrative problems and works hardship on him.

I should like the minister at the earliest possible stage in committee to indicate why, in the light of the claim of the manufacturers' association that the period of time for the refund should be six months, he arrived at the period of 90 days in which a refund could be claimed, and similarly with other points in the other clauses of the bill.

As I say, I do not propose to deal with this at length. I think I have made the point that is concerning me. At least I hope I have made it reasonably clear so that it can be adequately dealt with later. There are perhaps a good many other things about the submissions which have been made from time to time. I happen to have the 1959 one readily available. I assume there are later ones and there may indeed be changes in them; I simply have not checked that point through. If I have not been up to date in referring to the representations, I wish the minister would correct that in his closing remarks.

There is one other matter, and perhaps this is the place where I can appropriately raise it. I have always felt that the customs head office here was probably as inadequately housed as any of the working departments, bearing in mind the nature of the business it has to do and the fact that these various officials, customs appraisers and others having to do with value for duty purposes, and so on, have to interview clients or importers about very technical matters on occasion which, if disclosed to competitors, would be of real significance. The accommodation has not been adequate. I am aware of some improvements in it, but I still feel that bearing in mind they are the ones who have to conduct this type of interview about information that is of real significance to a competitor, they should be much more adequately housed for their tasks.

I hope this point will be borne in mind by succeeding governments and that adequate provision will be made in this regard. In wartime it simply was not possible to set aside money for the development of this kind of public works, but I would hope that now succeeding governments would see to it that there is adequate provision so these customs appraisers and other officials of the department having to do with the administration of this bill could have accommodation more suitable to their task. I should imagine the minister would agree with me on that point.

The Acting Speaker (Mr. Chown): Order. It is my duty to inform the house that if the minister chooses to speak now he will close the debate. Is the house ready for the question?

Mr. Pickersgill: We all hope the minister will speak.

Hon. George C. Nowlan (Minister of National Revenue): All these matters come under the clauses of the bill. I do not know how long the house would like me to deal with them. I can deal in committee with them under the clauses.

All I want to say at this stage is that I appreciate the objective manner in which the hon. member for Ottawa West (Mr. McIlraith) has discussed this matter. I quite agree with him that our accommodation has been very crowded, but I think there has been a substantial improvement therein. As he says, when businessmen from across Canada come to consult appraisers they do not want to be sitting almost in the veritable laps of their competitors who are discussing the matter with the adjoining customs appraiser at the next desk. We have tried, and succeeded to a substantial extent, I think, to ameliorate this problem. I will be prepared to deal with matters of time when we deal with the clauses of the bill.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Chown in the chair.

Customs Act

On clause 1—*Finality of classification or appraisal.*

Mr. McIlraith: Mr. Chairman, perhaps the minister could now deal with the questions I asked.

Mr. Nowlan: Mr. Chairman, I think I would agree that clause 1 is the most important clause in the bill. It deals with appeal procedures and, as the hon. member for Ottawa West said a moment ago when we were in debate on second reading, the present section was introduced in 1955. There had been a two year period from 1951 to 1955. In 1951 the preceding government reduced the period to two years, and in 1955 they changed the section entirely and brought in the 60 day procedure. That bill caused a great deal of discussion among importers. I would not argue either side of the case, but the fact is that the Department of Finance and the Department of National Revenue, so I am told, took great exception to the provision in the preceding bill which was in effect up until 1955. It was provided that an importer could revive a claim and ask for a refund on goods which he had imported four or five years before. I think the popular term was that there were conventional gravediggers who would undertake an appeal to the fullest extent allowed and would go back through the records of scores and scores of claims involving hundreds of thousands of dollars, and the treasury was involved in terrific drains.

Then the new procedure was provided for and 60 days was established. Importers raised rather emphatic protests and asked that the time be extended. It is true that they asked for six months, but my officials think that with modern methods of communication, telecommunication, air mail and so on, 60 days would cover the great majority of cases and is probably as long a period, speaking comparatively, as a few months would have been 10 years ago. Having reviewed this matter with my officials, we felt that a satisfactory compromise would be in extending the time as we are proposing in the bill and that would meet any reasonable requirement. That is why we are amending the bill to this extent.

Mr. McIlraith: Mr. Chairman, I think I should point out to the Minister of National Revenue that the reason he has given for the reduction in the period of time is the same reason as was given by his predecessor in office. His colleague, now the hon. member for Greenwood, in answer to that went on to say:

> I suggest that the minister has given very inadequate reasons. In the first place I repudiate the idea that this section is being passed in order to prevent sharp practice, or something almost worse than sharp practice, on the part of certain businessmen. That seemed to be the argument.

And so the hon. member goes on. I could take a great deal of time of the committee in pointing out similar remarks by others of the minister's present colleagues on this point. Perhaps I am not at the moment permitted to do so because of the hour; but it would at least be entertaining. I am afraid I cannot say much more; at least, to be truthful I cannot say much more for them. They did not seem to have any real appreciation of dealing with the problem.

Mr. Nowlan: I have been told that by my officials.

The Deputy Chairman: Shall clause 1 carry?

Mr. Nowlan: Mr. Chairman, I am in the hands of the committee. I wonder what the attitude would be if a few more minutes were permitted.

Mr. Pickersgill: I really believe that the business today is of a very important character. We will not be long.

The Deputy Chairman: Order. It being five o'clock it is my duty to leave the chair in order that the house may proceed with the consideration of private members' business, pursuant to section 3 of standing order 15.

Clause 1 stands.

Progress reported.

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

PRIVATE BILLS

GREYMAC MORTGAGE CORPORATION

The house in committee on Bill No. S-18, to incorporate Greymac Mortgage Corporation—Mr. McCleave—Mr. Chown in the chair.

On clause 1—*Incorporation.*

Mr. Howard: Mr. Chairman, through you I wish to pose a question to the sponsor of the bill. In my file I have two bills numbered S-18 both entitled "an act to incorporate Greymac Mortgage Corporation" but one bearing the legend "read a first time Tuesday, March 20, 1962" and the other bearing the legend "as passed by the Senate, March 28, 1962". I have read hurriedly through them and can see no difference. Can the sponsor advise which bill we are considering, whether there is a difference and of what it consists?

Mr. McCleave: Mr. Chairman, this is the first time this has been drawn to my attention. I presume the bill before Your Honour

is the one passed by the Senate. I believe there was no change in the one passed by the Senate but I cannot really assist the hon. gentleman because this comes as a surprise to me.

Mr. Howard: Mr. Chairman, can the hon. member enlighten us as to which bill we are dealing with?

The Deputy Chairman: The Chair has no way of definitely ascertaining that because we deal with these bills only after they are passed by the other place. I shall be glad to show the hon. gentleman the bill I have before me if he wishes to make a quick comparison.

Mr. McDonald (Hamilton South): Mr. Chairman, I have only one copy of the bill in my file, the one referred to by Your Honour bearing the legend "as passed by the Senate, March 28, 1962". There is no other copy on my file.

Clause agreed to.

On clause 2—*Provisional directors.*

Mr. Peters: Under the loan company legislation the majority of the directors of a company must be Canadians ordinarily resident in Canada. It is of advantage to Canada and the development of the country if all directors are Canadians. Can the sponsor say whether any consideration has been given to that matter in relation to this company on the basis of the problem having been discussed in the house on a number of occasions in relation to other bills?

Mr. McCleave: Mr. Chairman, I believe the question referred to by the hon. gentleman is covered by section 19 of the act to which he referred. From talking to the incorporators it is my understanding that all the share capital will be held in Canada and that all the directors will be Canadians. It is true that this company hopes to influence foreign capital to move into Canada to help in housing development but none the less the intention of the company is to remain an all Canadian operation. Is that what my hon. friend wants to know?

Mr. Peters: Yes, Mr. Chairman. We are aware that under the terms of the small loans legislation it is mandatory that the majority be Canadians ordinarily resident in Canada.

My question is this. Has the sponsor any indication from those applying for incorporation that they would be willing to amend this clause to provide that all directors be Canadians ordinarily resident in Canada?

Mr. McCleave: I have not taken up that matter with the incorporators. This bill was before the banking and commerce committee the other day and the matter was not raised there. I do not think it would be possible for me to contact the incorporators this afternoon to determine whether that change would be acceptable, but I believe I can assure the hon. gentleman that this will be an all Canadian show and that I know of no reason why that should be changed.

The main funds the company will be using will be placed by various people in its hands and it would be operated similarly to, let us say, mortgage corporations such as Canada Permanent Mortgage Corporation, Eastern Canada Savings and Loan Company, and Eastern Trust Company. It is not necessary to alter the share structure of the company to achieve these aims.

Mr. Peters: I thank the sponsor for that information. I raised the question because I believe we should bend our efforts toward assuring that the majority, at least, if not all directors of these companies seeking incorporation should be Canadians ordinarily resident in Canada. This should be brought to the attention of those applying for incorporation.

Mr. McCleave: I agree with the objective expressed by the hon. gentleman but I do not think it has been the custom to single out particular companies in an effort to carry it out. I believe the best approach would be to change the overriding act governing such companies to ensure that this objective, with which I agree, is carried out.

Mr. Howard: Undoubtedly the best course would be to introduce general legislation or to amend existing legislation to provide that the majority if not all directors of the company are Canadians ordinarily resident in Canada.

Pipe line companies are required to be incorporated by way of petition for a private act. To my knowledge there is no general overriding legislation. Perhaps the National Energy Board Act would be the proper place for an amended provision governing directors. If there were general legislation in existence I am sure that it would have come to the attention of the government when the Aurora Pipe Line Company was singled out last year as was another earlier this year.

The sponsor of this bill and I are in agreement about the desirability of there being general legislation or a public statute. We must appreciate that the government has control of the order paper and should introduce the required amendments or overriding legislation. We all know what happens to public bills introduced by private members. Invariably they do not come to a vote to determine whether or not the house endorses the principle.

The government should take the initiative in this field thus helping to ensure that we maintain control of our own economy by requiring that at least the majority if not all directors of such companies be Canadian citizens ordinarily resident in Canada.

Clause agreed to.

Clauses 3 to 6 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Mr. Speaker: Is the house prepared to group the four bills which stand for consideration in committee?

Some hon. Members: Agreed.

Mr. Howard: I would suggest that they be taken separately.

MADELEINE FRANCOISE HANKOWSKI

The house in committee on Bill No. SD-1, for the relief of Madeleine Francoise Hankowski.

On clause 1.

Mr. Howard: We do not have with us, and I do not think we have ever had, the bill itself as a separate document before us. However, the reproduction of it is contained in the report of the committee on divorce which contains the evidence received by the committee of the other place. This is what is before us at the moment. Clause 1 of it reads in the following terms:

> The said marriage is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

I believe that at the last session in September—I cannot remember the date right off hand but I believe it was September 25—we had great hopes, as I am sure had everybody in this house of parliament and in the country that, upon the promise given, there would be introduced into the house some legislation which would make arrangements whereby the necessity would not arise for our having to deal again or in the future with divorce bills as we are obliged to do at the present time. As I say, it is regrettable that we are obliged to do so. If the government had applied itself fully and properly to this particular question I am quite sure that it could have come up with a simple solution to the problem and that we might have had before us, and have already considered and passed some proposal to deal more expeditiously with these particular divorce bills instead of finding ourselves in the position of being obliged to go into all the details with regard to the marital difficulties of the individuals concerned and thus to carry on the tradition which has been in existence in this parliament for many years.

Mr. Churchill: Will the hon. member permit a question?

Mr. Howard: We still live in hopes.

Mr. Churchill: The hon. member said that had a bill been introduced he felt sure it would have been discussed and passed in this house by now. What is the reason for his assurance, on a problem as difficult as this one, that any bill introduced at any session would be sure of passage? Why does he make that statement now?

Mr. Howard: I must apologize, Mr. Chairman. I should have known better than to attribute anything to this particular government. I just assumed that if the Minister of Veterans Affairs had carried out his promise made to the house last year and if he had conscientiously tried to reach agreement on a bill and to introduce it that would have been the result. I myself feel sure that the house would have given passage to it for the purpose of dealing with this particular question.

Mr. Churchill: You are certain that no conscientious effort was made to deal with this matter?

Mr. Howard: I beg the minister's pardon?

Mr. Churchill: Are you so certain that no conscientious effort was made to deal with this matter? You are making some wild statements this afternoon.

Mr. Howard: So far as the Minister of Veterans Affairs is concerned, I am never sure about anything he says or does, particularly after his promise of last last session which he has not kept. So far as I am concerned, on the occasions on which I have asked him publicly in the house about the matter, he has made no comment. The last time I asked him about it he made a very offhanded and, I thought, rather undignified remark, namely that he would study the question and that if it was one that he thought should be answered, he would probably do it the next day. We have heard nothing more about it. I do not wish to get into a cross argument with the Minister of Veterans Affairs with respect to the breaking of the promise which he gave during the last session and which is to be found in *Hansard*. I only state, as a matter of my own personal feeling on this matter, that it is regrettable that the government did not get around to introducing that which it promised at the last session to introduce at this session so that we might be in a position to deal with this matter

in a better manner. We all know that this is not the forum in which we should deal with these questions.

The Chairman: I think the hon. member will admit that we are at the committee stage of this bill on clause 1 and that, in order to be in order, he must discuss clause 1 as it is and that he must not get into a discussion of procedure and other matters that are widely outside the range of the clause.

Mr. Howard: That is quite correct, Mr. Chairman. I apologize for wandering astray there. However, I was only attempting fully to answer the question or series of questions posed by the Minister of Veterans Affairs.

Mr. Churchill: You raised the whole thing yourself.

Mr. Howard: It needs to be raised. It is obvious that you are not going to do anything about it. It is obvious that your whole concern is to carry on in degrading parliament day after day with this sordid business.

Mr. Churchill: You are making false statements.

Mr. Howard: For two or three years now this government has promised action on this particular question. Last year it made that promise publicly; and promptly, as with so many other promises, forgot about it. That is why we are in this present situation.

Mr. Churchill: That is a false statement.

Mr. Howard: The minister is a false minister if he says that.

Mr. Churchill: You had better withdraw that statement.

Mr. McCleave: That is shameful.

Mr. Churchill: You have not enough courage to withdraw that last statement.

Mr. Howard: Which last statement? The statement that you are a false minister?

The Chairman: Order. I think this discussion is going a little bit too far afield. It would probably assist matters if the hon. gentleman would address his remarks to the Chair and would also address himself to clause No. 1.

Mr. Howard: I have enough guts to withdraw that statement or that reference to the minister being a false minister. I hope he has enough intestinal fortitude to withdraw the accusation that the things I said were false also. However, this is perhaps too much to expect in this situation.

Mr. Churchill: Continue your filibuster.

Mr. Howard: I beg the minister's pardon?

Mr. Churchill: Continue your filibuster.

Mr. Howard: Oh, yes; this is the sole contribution the government has offered to make with regard to this very vexing problem, namely to sit back and to make snide remarks in an attempt to cover up their deficiency in refusing to carry out conscientiously the promise they made last year.

An hon. Member: Order.

Mr. Howard: If I may, without these other interruptions, get on with the subject before us which is clause 1 of the bill, I shall do so.

An hon. Member: It is about time.

Mr. Howard: I have been interrupted again, Mr. Chairman. I would appreciate it, Mr. Chairman, if you would tell hon. members that they may participate in the debate in the proper way so that these interruptions will not continue. Clause 1 of the bill provides that the said marriage is hereby dissolved. I think we are entitled to find out whether or not there was a marriage to dissolve in the first instance. The petition is reproduced here and it shows that on the 15th day of October, 1955 the petitioner, giving the name of the petitioner, of Montreal, province of Quebec, was lawfully married to—and then it gives the name of the husband or respondent in this instance.

I refrain from mentioning these names, Mr. Chairman, because I think it is bad enough that we have to search through these things without giving the names of the individuals and scattering them all over *Hansard*. The testimony was given on January 29 and the testimony of the petitioner given under oath is found on page 9. She was asked certain questions by the clerk of the committee. Those questions had to do with her name, her age, her domicile and her occupation. Then this question was asked:

Q. Are you married, and if so to whom?

Her answer given under oath was:

I am, to—

Then she gives the name of her husband.

Q. When were you married?
A. October 15, 1955.
Q. Where were you married?
A. Montreal.
Q. By whom?

Then there is an indication of the religion.

Q. I show you a document. Do you recognize it?
A. Yes, it is my marriage certificate.

She says that the names and dates are correct and the certificate is filed as exhibit No. 1. So we can take it that she was married in the first place and proceed to determine now whether or not it is desirable that this committee should dissolve the marriage and, if so, for what reason. The ground upon which

the petition asks for dissolution of the marriage is contained in paragraph No. 7 of the petition which reads as follows:

That on or about the 8th day of March, 1961, at room—

Then there is a room number and a street number in Montreal, province of Quebec.

—the said—

It recites the name of the husband or respondent.

—committed adultery with—

It gives the name of another person, the corespondent, and her address. They are all of Montreal in the province of Quebec. To proceed not to the preliminaries, such as the marital relationships before the alleged adultery, in which the committee of the other place invariably becomes involved, but rather to the question of the adultery itself, we find that certain evidence is given by a person by the name of Roger Ferland. He gives his age as 38 and his occupation as investigator, as shown at the bottom of page 12 and continuing on page 13. There is a point I should like to make here. I assume it is the duty of the clerk of the committee to elicit general information about the status of the individual who is going to give evidence and it is then the duty of the lawyer representing the petitioner to bring out other evidence. The clerk of the committee asks four questions, his name, age, where he lives and his occupation, and they are answered as I indicated before. The occupation given is that of investigator.

Before we proceed further I think we might, on the basis of general principles as they have been outlined to me, wonder about the status of this person as an investigator and whether in fact he is an investigator licensed as such under the relevant statute of the province of Quebec or whether, as happens in many instances, he is someone who merely labels himself as an investigator but is in fact not such under the applicable legislation in the province of Quebec.

I have here a photostatic copy of certain information with reference to the private detectives act of Ontario. The information is taken from 1961 Ontario Weekly Notes and I read from page 15 in the case of LaMarche *v.* LaMarche in which Mr. Justice Spence said:

A rather startling situation was disclosed at the trial. Four persons gave evidence, one for the husband and three for the defendant, and all four were carrying on the business of private detectives, or, in one case, the assistant to a private detective, without the licence required by the private investigators act.

Then he proceeds to give other references to show what reliance the courts can place upon evidence given by people who classify themselves as private detectives but in fact are not licensed as such and who are in one sense looked upon as paid witnesses. He makes reference here to Latey on Divorce, 13th edition, page 69, and quotes these words:

Evidence by paid witnesses, formerly called *testes lupanares*,—

They would be persons not licensed under the relevant act of the province.

—private detectives or inquiry agents, and women of evil repute, is subject to special scrutiny.

Then Mr. Justice Spence goes on to say:

It is my view that an extra degree of scrutiny must be accorded to those who perform such services without complying with the provisions of the statute requiring that they be licensed and bonded despite the fact, and I find it as a fact, that all three of the principals were quite cognizant of the requirements of the statute. I am not ready to accept such testimony unless it is fully and strongly corroborated and the defence fails to adduce convincing evidence to refute the charges.

In this instance Mr. Justice Spence said in effect that if a person is a private investigator or private detective and wishes to have full weight given to his testimony he should be licensed as a private investigator or detective under the applicable statute. On January 25, 1962, my colleague, the hon. member for Timiskaming, and I wrote Senator A. W. Roebuck, chairman of the Senate divorce committee and pointed out to him the material I have just read from the decision of Mr. Justice Spence. I quote part of the letter which we wrote to him on January 25 of this year:

In reviewing the evidence in past divorce cases heard by the committee under your chairmanship we find that no attempt has been made to determine whether or not those witnesses who appeared and classified themselves as investigators or private detectives were in fact licensed as such under the private detectives act of Quebec.

We went on to suggest that perhaps in the future this course should be followed.

The hon. senator replied under date of January 29 to myself and the hon. member for Timiskaming as follows:

Dear Sirs:

I have the honour to acknowledge receipt of your joint letter of the 25th instant.

We thought, from the discussions we have had with people in the legal profession, that this would be the proper course to follow. You should determine whether or not those individuals who classify themselves as investigators were, in fact, licensed as such under the private detectives act of Quebec or whether they were nothing more than paid witnesses.

Mr. Crestohl: Will the hon. member permit a question?

Mr. Howard: Yes.

Mr. Crestohl: Does the hon. member pretend there is something in the Senate act that makes it compulsory for a witness to be a licensed investigator?

Mr. Howard: I do not know to what Senate act my friend is referring.

Mr. Crestohl: The act under which these divorces are dealt with by the committee.

Mr. Howard: No, I do not know if there is anything in the Senate rules governing this particular matter. I would assume if there is anything in the Senate rules relating to the divorce committee it would be followed and this information would be elicited. I can only assume that there is no requirement in the Senate rules which says that a private investigator must be licensed as such under whatever statute happens to exist in the province.

Mr. Crestohl: Then why does the hon. member belabour the point that these witnesses were not qualified because they were not licensed, apparently?

Mr. Howard: I gather my friend is a member of the legal profession and perhaps is able to answer that question better than I am. I have been told by a number of gentlemen in this chamber that we are, in fact, a court dealing with these matters. I disagreed with that contention, but people in parliament do insist that this is a court for dealing with these matters, regardless of how incompetent we might be as a court. I assume that, such being the case, we should follow the normal procedure of these courts.

The Deputy Chairman: I am sorry to interrupt the hon. member, but his time has expired.

Mr. Churchill: I rise on a question of privilege to answer statements made by the hon. member for Skeena a little while ago. He accused me of making a promise to the House of Commons last year which he said was not kept. Then, he accused me of not making any attempt to solve the problem which has confronted us with regard to divorce. I said that his statement was false, and I repeat it. I will give the evidence now from *Hansard* at page 8865, September 25, 1961. At that time I asked permission of the house to make a statement concerning the question of divorce, and my statement was as follows:

> The house has before it a number of divorce bills which could perhaps be dealt with promptly within the next two days if we take certain action now.
>
> This has been a difficult problem for parliament to resolve, that is, the method of dealing with divorce bills, and over the last two years a great deal of time has been spent in attempting to reach a solution. On some occasions we seem to have come very close to doing so, but not with the unanimity that is desirable. However, in view of the fact that the people who have made application for divorces have done so bona fide as far as we know and have complied with the law of the land it might seem wise to the house to deal with these bills this year and to continue to search for what some people consider would be a better solution to this entire problem. I am prepared to make this statement for the record which, if agreed to by other parties in the house, might permit us to proceed with the divorce bills on this occasion. I should like to make this statement: the question of procedure with respect to parliamentary divorce is under study, and the government has hopes of being able to present to the house at the next session some proposals in this regard.

Now, Mr. Chairman, that was my statement in September, 1961. I did not say that the government was going to bring forward a bill at this session in order to solve this particular problem. I did say that we had hoped to be able to present to the house, at the next session, some proposals in this regard. This is precisely the situation: we had hopes. I entertained hopes until yesterday that we would have something to place before the houses of parliament in regard to divorce legislation. The hon. member for Halifax will confirm the fact that hundreds of hours have been spent attempting to reach a solution to this problem. The hon. member for Skeena, and others of his party, have been apprised of the difficulties that have faced us in this regard. The Minister of Justice and members of his department, colleagues of mine within the cabinet have given attention to this particular problem. We have consulted members of the other place concerning this matter.

What more could be done? It is one of the most difficult problems of solution that faces the people of this country, and for the hon. member for Skeena to carelessly get up in this house and accuse me falsely of having made a promise which I did not make, of having broken a promise which I did not make, then accuse the government of failing, knowing all the time of the difficult circumstances, indicates to this house his lack of appreciation of the problems of government and his unsuitability to be a member of the House of Commons. He is treating lightly one of the most difficult problems that faces Canada. He is deliberately preventing action under the law in respect of 293 persons and their spouses who are asking for divorce proceedings. He is doing this deliberately, taking advantage of these people, because the two houses of parliament have failed to reach agreement with regard to this problem. I think it is most unfair. I think that in the first instance the hon. gentleman should withdraw his remarks concerning myself, and in

the second instance I think he should apologize to the house and he should let the committee pass these divorces.

Mr. Peters: You should withdraw your remarks.

Mr. Howard: I am not going to accept—

Mr. McCleave: You scuttled it, Peters; you scuttled it good. Perhaps I might speak on this question of privilege—

Mr. Howard: There is already one question of privilege before the chairman, and I should like to comment on it if I may. I am not going to accept the invitation of the Minister of Veterans Affairs to engage in gutter type accusations such as those in which he has engaged. I am prevented from engaging publicly in a discussion of that sort with the Minister of Veterans Affairs because it would necessitate revealing private discussions, and I do not feel I should do that. As I took down the words used by the Minister of Veterans Affairs, he said that we were apprised of the difficulties. What he meant by being apprised of the difficulties, I cannot say. Earlier this session, I do not know the date, I asked the Minister of Veterans Affairs what was being done towards meeting his promise of last year. He said then, after consultation with the Minister of Justice, that I would be advised of that and he thought I had been consulted about it, which I had not.

Following that, there was one informal meeting, this was about two months ago, between the member for Timiskaming and myself—he does not mind my mentioning this—and two other private members of the government whose names I am not going to mention at the moment. We went over a proposal point by point and the hon. member for Timiskaming and myself suggested additions to it which we felt would make the proposal work better to protect the interests of the people petitioning. We made those suggestions to the two government backbenchers, private members who came to see us, but we heard nothing more about them. We did not receive one single, solitary word by telephone call, personal discussion or anything else.

That was two months ago and that is as far as I care to go in dealing with the accusation of the minister.

Mr. McCleave: Would my hon. friend permit a question?

Mr. Howard: Certainly, when I conclude.

Mr. McCleave: It is logical at this point.

Mr. Howard: This is as far as I intend to go in dealing with the minister's gutter type of accusation, and I have no intention of apologizing to the Minister of Veterans Affairs or of withdrawing any of my remarks. The hon. member for Timiskaming has just turned up a question which I put to the Minister of Veterans Affairs on April 9, as recorded at page 2638 of *Hansard* for that date. It reads:

> I should like to ask the Minister of Veterans Affairs a question in his capacity as house leader. As to the announcement earlier today made by the hon. member for Halifax (Mr. McCleave), the chairman of the miscellaneous private bills committee, to the effect that divorce bills will be placed on the order paper as of tomorrow for proceeding thereon, does this indicate that the government has no intention of meeting its commitment made to the house last session about parliamentary procedure on this matter?

The Minister of Veterans Affairs, in his usual way, said:

> I will examine in *Hansard* the hon. member's lengthy question and ascertain whether it requires an answer tomorrow.

That was the end of it.

Mr. McCleave: Would the hon. member permit a question before he takes his seat? Did the hon. member for Timiskaming not ask him about a meeting between the two of those gentlemen and myself about three weeks ago today? If I may refresh his mind, the hon. member for Skeena had been out in his riding, he had returned, and was there not a suggestion made to him at that time by the hon. member for Timiskaming?

Mr. Howard: A suggestion?

Mr. McCleave: About a meeting among the three of us.

Mr. Howard: A suggestion made to me by the hon. member for Timiskaming about a meeting?

Mr. McCleave: Among the three of us.

Mr. Howard: No.

Mr. McCleave: Then, Mr. Chairman, I rise on a question of privilege. I am not going to deal with the behind scenes negotiations, but I can assure the house that I have personally spent more than 100 hours this session trying to get a bill together until we had that most unfortunate debate in this house, dealing with the exchequer court which is totally unacceptable to Quebec. Until we had that debate there was no indication that the procedure would fail.

This is a procedural question that deals with the fate of all these people here, some of whom have children who will never be legitimated if we do not pass these bills before parliament adjourns. I just want to make this point, without getting into a lot of recrimination, that the debate on the exchequer court was a most unfortunate thing because the atmosphere suddenly changed from one

of reasonable optimism. I think I am perhaps the most incurable optimist in the world on this matter, although I may yet have to apologize to the people of Quebec and Newfoundland for being an incurable optimist and for not having brought these bills before parliament earlier.

Had I thought we were not going to succeed we would have started with Bill SD-1 in January and we would have had a very lively session going through them all. However, the unfortunate effect of the remarks of the hon. member for Timiskaming—though he may have meant them with all good intentions and I am not going to quarrel with his intentions—had the unfortunate effect that afterwards negotiation on the proposed bill became completely impossible. One could not talk to members of any other party because suspicion was rampant.

I regret having to report that to the house, and I feel that perhaps in a way I failed in my own responsibility. I should have known that at a time like this we could not get a procedural bill through to streamline things, and that we would wind up with more than 200 people who have paid their $210 to parliament for petitions, and who have spent on an average $1,200 to $1,500 on other expenses, without getting their bills through.

There is only one final point I wish to make on this question of privilege. I do not want to cast recriminations at anybody. I am just asking that the heart of the House of Commons show itself.

The Chairman: Shall clause 1 carry?

Mr. Peters: I feel we have an obligation to discuss these matters. I too was of the opinion that something could be done and I still think the answer is very simple. In fact I think the suggestion was made to me by some people higher placed than the Minister of Veterans Affairs during the last few days. I agree that our obligation is great to these people, but the suggestion is that a royal commission be established to go into the whole matter of divorce, both parliamentary and otherwise.

I feel we are not unreasonable. We dealt with some hon. members very reasonably. Some of them were not difficult to deal with but some of them were, and we did not always know who we were dealing with.

In relation to this particular bill we do not expect that there will be the eleventh hour pardon which people sometimes receive in penitentiaries but we do feel that the Prime Minister could very easily come into the house and make an announcement establishing a royal commission to inquire into the whole question of divorce. Unless that happens, then we have an obligation to see that the measures brought before us are handled and scrutinized in the same way as any other bill.

It is surprising that we have spent all our time discussing some 30 or 40 bills and that now, in the dying days of parliament, we should be asked to pass 200 odd bills without knowing the intricacies of each of them. It has often been said that where one individual is concerned more scrutiny should be given to his rights and wishes than should be given even where a great deal of money is involved.

So far as this bill is concerned there is only one person with whom we have to deal.

Mr. McCleave: It is the headline writer in the Montreal paper. That is the person you are concerned with.

Mr. Howard: Look who is talking.

Mr. Peters: I would be surprised if it makes any difference in the next few months what the Montreal papers write about Arnold Peters, or Bob McCleave for that matter. I think there will be other papers in other areas more concerned with our activities, and with which we will be more concerned.

In this particular field we have an obligation to the plaintiff, and second, to the respondent and co-respondent. In many of these cases we have found that the corespondent and respondent who are named as having committed an offence—certainly a social offence—have not been given the opportunity to appear. That is not true in this particular case, but it leads to another surprising point, that the respondent indicated he wished to appear and that he subsequently changed his mind. The committee will note the evidence of the clerk of the committee on page 9, where he says:

> In this case, Mr. Chairman, personal service was effected by the bailiff on the respondent and the corespondent—

In passing, Mr. Chairman, I would like to say that the work done in the last two or three years by the miscellaneous private bills committee of this house and the investigations they have made have resulted in personal service by reputable people in most cases. To continue:

> —personal service was effected by the bailiff on the respondent and the corespondent, but we have not heard from the corespondent since. We sent out the registered letter informing her that the petition was filed in our office. Subsequently, a notice of trial was sent out and that was not delivered.

This of course raises the problem in my mind as to why it was not delivered and how it came about in the first place that if the bailiff was able to locate the respondent and the corespondent, notice of trial was

not deliverable. It does not say it was returned, or why it was returned, but just that it was not delivered. I continue:

The Chairman: Did the respondent get the notice of trial?

The Clerk of the Committee: Yes, the respondent registered a notice of opposition, and subsequently withdrew it.

Mr. Chairman, I wonder and I think the committee should wonder why a notice of opposition should be implemented by the respondent and then subsequently the opposition was not proceeded with and, in fact, in this case there was the overt act of withdrawing it and the withdrawal was registered with the clerk of the committee. I think this would immediately bring one to the point raised by the hon. member from Skeena a few moments ago as to what was the evidence of adultery in this case, and how was it obtained? In considering this one has to check and see who in this particular case handled the investigation for the petitioner. We find that the people who carried out the investigation were Roger Ferland, aged 38, Montreal, Quebec; and Gabriel Ferland, aged 33, Montreal, Quebec. They described themselves as investigators. I would presume, and it is only a presumption, that these people are man and wife. This in itself would raise a particular problem in my mind because, Mr. Chairman, you may or may not be aware that there was a case not long ago in Ottawa which was instigated by a corporal of the R.C.M.P., in which two of the investigators who were appearing regularly before the Senate—

Mr. McCleave: Order.

Mr. Peters: Well, Mr. Chairman—

Mr. McCleave: Mr. Chairman, the hon. member is not dealing with the case under discussion. I rise on a point of order. The hon. member has only four minutes to go. He can talk the case out, but he is going to talk this case out and he is not going to raise extraneous matters.

Mr. Peters: I do not know whether this is the place in which the chairman should rise and say, "Objection sustained" or "Objection overruled". I am not sure of the procedure in this particular case.

The Chairman: I want to reassure the hon. member that I will listen to him, but he will have to confine his remarks to clause 1 of this bill.

Mr. Peters: I am trying to do that, Mr. Chairman. All I am doing is questioning the actions of these particular detectives and saying why I am questioning them. The committee is not, nor is the house or the Senate in a position to verify, guarantee or in any way certify these particular investigators as to their reliability, because we are not even sure whether they are licensed or who administers the licence. The point I am making is that in another case a well known investigator who appeared regularly before the Senate was tried for perjury in a court—

Mr. McCleave: Mr. Chairman, the hon. member is referring to matters which are not contained in the petition of Madeleine Francoise Hankowski for relief from this honourable house. I therefore submit that he should be brought back to order and should confine himself, if he knows the rules, to proper debate.

The Chairman: I of course agree with the point of order. The discussion must be directed to clause 1 and to the bill as set out in the preamble.

Mr. Howard: Mr. Chairman, the hon. member for Timiskaming raised a very interesting point that makes me wonder just what sort of validity we should place upon the evidence before us in this case. Reading from page 13, the evidence of Roger Ferland, we find half way down, when he is almost through his evidence and just before they had discovered the relationship relating to adultery:

Then around one o'clock I called my assistant and they came and met me about half an hour later in the lobby and we went up to that room.

That is, they went to a particular room in an hotel. Then the chairman asked a question. I cannot find out quickly who the chairman was, but it does not matter anyway. The chairman of the committee asked:

What time was this?

A. It was around 1.30. I knocked at the door and said, "I am the house detective".

Then he goes on to give the name of the respondent; he said he was there and opened the door:

—he was wearing a pair of pants, that is all he had on. I said it is for an investigation. While I was talking to him there was a girl sitting on the bed and she ran into the bathroom and she locked herself in.

Then the chairman asked:

What was she wearing?

A. Nothing at all. She locked herself in the bathroom.

Let us consider this situation.

Mr. Matthews: You would.

Mr. Howard: I am asking hon. members to put themselves in this situation and just consider this. This is what happened: a complete stranger, a private detective, knocks on an hotel room door; the respondent opens

it, and while he opens it the girl sits naked on the bed so everyone can see her, and then she runs into the bathroom.

Some hon. Members: Six o'clock.

Mr. McCleave: On a question of privilege, Mr. Chairman, we now know that N.D.P. stands for "no divorces permitted".

Mr. Howard: We stand for "no deceit" also, which is what some people are involved in.

Mr. McDonald (Hamilton South): Mr. Chairman, I would like to move a motion, seconded by the hon. member for Queens-Lunenburg, that by unanimous consent we sit through the six to eight supper recess and from ten o'clock thereafter until these divorces have been proceeded with.

The Chairman: The committee has not jurisdiction to rule on that motion. The hour for private members' business having expired, it is my duty to rise, report progress and request leave to sit again at the next sitting of the house.

Clause stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. R. M. T. McDonald (Hamilton South): Mr. Speaker, before you call it six o'clock I would ask you to put my motion, seconded by the hon. member for Queens-Lunenburg, that by unanimous consent this house sit from six till eight, and from ten o'clock thereafter until the 293 divorce bills have been agreed upon.

Some hon. Members: Agreed.

Mr. Speaker: I am sorry, the hon. member has not given notice of the motion, and furthermore it is six o'clock.

Mr. Churchill: The hon. member asked for unanimous consent.

Mr. Speaker: If the house give unanimous consent to accepting the motion and prolonging its sitting beyond six o'clock, I could entertain it.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Howard: Perhaps the best course would be to put that motion tomorrow.

Mr. McDonald (Hamilton South): I am putting it now and asking for unanimous consent.

Mr. Speaker: I hear dissent.

Mr. Aiken: Mr. Speaker, may I ask from what corner the dissent came.

Mr. Howard: I will soon tell you.

Mr. Speaker: Order.

CUSTOMS ACT

AMENDMENTS RESPECTING PROCEDURAL CHANGES AND EXTENSION OF TIME FOR APPEALS

The house resumed consideration in committee of Bill No. C-79, to amend the Customs Act—Mr. Nowlan—Mr. Martineau in the chair.

On clause 1—*Finality of classification or appraisal.*

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. McIlraith: Mr. Chairman, the minister was going to give some explanation of why, in the face of what I understand to be continuous or repeated requests on the part of some organizations, for a period of six months, as indicated in clause 1 of the bill the time has been increased only to 90 days.

Mr. Nowlan: Mr. Chairman, the hon. gentleman is correct. When the committee rose at five o'clock I said I would refer this matter when the committee resumed at eight. As I said earlier in the afternoon, I believe, at one time under the other procedure there was a longer time permitted, something like two years. All sorts of difficulties arose out of the administration of that provision. The government which was responsible for the administration of affairs in 1955 changed the procedure and brought in a 60 day period in which one could appeal to the deputy minister from a decision of a dominion customs appraiser.

It is perfectly true, as I said, that since then various pressures have been brought on the department to extend the period beyond the 60 days prescribed in 1955. Frankly, Mr. Chairman, I think my departmental officials feel that in the average case—as a matter of fact in 95 per cent of cases which would arise—the 60 day period is probably sufficient; but with the multiplicity of branches across this country and with the vast diversification of business, it is appreciated that sometimes a hardship might ensue by strictly adhering to the 60 day period. Therefore, after considering the matter and having read the brief which my hon. friend read this afternoon and which, I may say, is simply a copy of various briefs we have received over a period of years, at least since I have been minister—I am not sure what date the

hon. member ascribed to the brief but I have seen similar briefs of the same tenor—in consultation with my officers we concluded that extending the period from 60 to 90 days would meet all the cases that would normally arise. There is no doubt that the brief referred to by the hon. gentleman contains the arguments which have been addressed to the department.

It was felt the 90 day provision represented a fair compromise between the 60 days we now have and the six month period originally requested. I point out that a six month period was requested following an interval during which there was a two year period. Naturally 60 days as compared with two years looks very short, but the whole procedure has been changed.

I do not think I am divulging a confidence. I do not have the communication before me but perhaps the committee will allow me to say that within the last few days I received a letter from the Canadian Manufacturers' Association from whose brief the hon. member for Ottawa West read this afternoon commending the government, or me, I am not sure which, for having at last relaxed the period to this extent. I think it will prove reasonably satisfactory and, of course, as always, the department is prompt to meet the views of the taxpaying public and the importers. Should it develop that further extensions are necessary consideration will be given to those at a later date. After the period of five years from 1957 to 1962 this is the first time we felt it advisable to relax the period and I feel the degree of relaxation is sufficient.

Mr. Pickersgill: I do not think I have ever heard a more enthusiastic encomium of a bill than this one. When you think that apart from the provision of supply this is the last act of this parliament, this bill which the minister thinks is really unnecessary but that apparently he has to put through to please the Canadian Manufacturers' Association, it certainly appears that this parliament is ending with a whimper. The minister said he thinks that in 95 per cent of the cases the 60 days would be sufficient, so that for 5 per cent of the cases this house is being denied an opportunity to debate the budget. That perhaps is a pretty accurate appraisal of the government's view of the budget—they are so anxious not to have it debated.

An hon. Member: Order.

Mr. Pickersgill: I hear an hon. member obstructing me by calling out "order". I use the term "obstructing", of course, in the sense in which the Prime Minister uses it and not in the normal sense of the word. We know that the double-speak the Prime Minister has introduced into politics is something new in this country.

Perhaps the minister could tell me whether my understanding is correct. I understand that what in fact has happened over recent years is that in the difficult cases the deputy minister has taken the view that although the law says the determination made by the appraiser is final and conclusive, if in his opinion there seems to be an obvious injustice he ought to do something about it. It seems to me if that has been the case—and I have the highest regard for the deputy minister as I am sure every hon. member has—it would still be desirable to bring the law into conformity with the facts. Perhaps the minister could tell us whether that is the case.

Mr. Nowlan: Well, Mr. Chairman, after this political diatribe on the part of the hon. member for Bonavista-Twillingate, with his twisted political mind, perhaps I could say this. Hon. gentlemen opposite assured me at six o'clock they wanted only two minutes to discuss this matter and put it through, but apparently since that time there has been a change of tactics. Perhaps the Leader of the Opposition is not now ready to give the budget address which he seemed ready to give. I am not sure of his tactics. However if hon. gentlemen opposite wish to treat this as a political matter we are prepared to discuss it on that basis. There is no hurry; there is no hurry whatsoever. We will discuss it on that basis if that is the wish of hon. gentlemen opposite.

As I have said, these matters which we are bringing forward, whether we have brought them forward covering 5 per cent of the cases or 95 per cent of the cases as the hon. member mentioned, have been considered by the department. We are rectifying to some extent some of the complaints which have been expressed to me as minister following the changes in the legislation in 1955. No legislation can be completely perfect. No legislation will please everyone. However, as I said at the opening, I think this legislation on this particular section—and this is only one of various sections which are in the bill—meets the requests of the people who are importing goods into this country. As I mentioned a moment ago, they have written in expressing their satisfaction at the fact that the government is rectifying some of the difficulties which were created by the legislation brought in by the preceding government. We think this bill in this particular section will go a long way toward meeting the complaints.

Mr. McIlraith: I have one matter I wish to clarify. As I understand the practice now the deputy minister in fact, under the authority of section 43 (4) (d) of the act,

has been making his reappraisal or has been re-examining these cases where an appeal has been taken to the dominion customs appraiser and refunds have been sought. In other words, he has in fact been examining the cases that were appealed under section 43 (1) of the act. Does this amendment envisage that the practice of having the deputy minister examine cases appealed under section 43 (4) (d) will be discontinued if this amendment carries and with the longer period of time?

Mr. Nowlan: No, I would not think that practice would necessarily be discontinued. I think what happens as a matter of practice is that the customs brokers, when they are entering an appeal from the dominion customs appraiser, almost automatically do so, so I am told. After all, it costs only a 5 cent stamp to get a decision. Hence you get an appeal automatically entered to the deputy minister and the deputy minister is obliged to pass on practically every matter which has been referred to the dominion customs appraiser. In this section there is nothing which would preclude appeals to the deputy minister.

Mr. McIlraith: As I understand the matter, it should lessen the appeals to the deputy minister because of the more adequate time for appeal to the dominion customs appraiser.

Mr. Nowlan: That is the hope.

Clause agreed to.

Clauses 2 to 5 inclusive agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read a third time?

Some hon. Members: Now.

Mr. Pickersgill: Now, by leave.

Mr. Nowlan moved the third reading of the bill.

Mr. Pickersgill: Before third reading of this last ordinary bill in this parliament I think we should draw attention to this extremely urgent and important matter that has been obstructed for so long by the opposition.

Mr. Nowlan: The last voice, that of the hon. member for Bonavista-Twillingate.

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

WAYS AND MEANS

The house in committee of ways and means, Mr. Martineau in the chair.

The Chairman: The committee has before it for consideration the following resolution:

Ways and Means

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1962, the sum of $138,416,981, be granted out of the consolidated revenue fund of Canada.

Mr. Pearson: Mr. Chairman, I am taking advantage of this motion to continue the statement which I began last evening on financial and economic matters. I regret that in a matter of such great importance I shall not have the benefit of the Prime Minister's presence in the chamber this evening, which may be the last one of our session. According to the press he is in Toronto tonight drumming up provincial Conservative support for the forthcoming election. No doubt for some of those to whom he will be speaking it will be a welcome relief from their preoccupation with crime and other matters.

I do not apologize to the committee for taking up a good deal of time this evening. After all, I suppose it will be the last opportunity I shall have to speak from this side of the house.

Some hon. Members: Oh, oh.

Mr. Walker: Or from any side.

Mr. Fleming (Eglinton): The hon. member had better be careful.

Mr. Pearson: Of course, if I get these friendly interruptions it is going to take me even longer than I expected it would. I hope I shall not be blamed for the extra time taken.

An hon. Member: We cannot blame you for anything.

Mr. Pearson: The other evening we heard at some length from the Minister of Finance. He presented to us our financial and economic picture. In this regard he played on an uncertain trumpet but he performed with pizzicato speed. Even though he was not able to get in all the things he wished to say, I appreciate the courtesy he extended to me in cutting out some of these things so that I could have 10 minutes at the end of the evening. He told us a good deal about economic and financial matters and we have managed to read those parts of his speech which he was not able to give in the house. From the minister's statement of the position, it was clear that the financial affairs of this country are in a morass from which the government is unable to retreat with grace or emerge with credit. It became quite clear and indeed it has been clear for some time, Mr. Chairman, that the government has not been able to make any new approach to the new problems that are confronting this

country. Indeed, as the Montreal *Star* put it on April 7 in an editorial:

> What is distressing about the Canadian scene is that no new approach is being made, nothing is being done. Temporary upturns mean little. These come and go. But Mr. Diefenbaker and his colleagues have, since 1957, done nothing new.

The reason for that is, I think, quite clear. It is because this government has no appreciation of the fundamental character of these new problems. So the remedies that have been put forward within the last week or so in the budget really can be characterized as a little more of the same. Problems have been piling up and are still piling up but the government feels that these problems can be solved by papering over the cracks.

Some of the measures that have been put forward recently by the government will be helpful to the business community. They will be welcomed as far as they go; but it is permissible, Mr. Chairman, to point out that these proposals for incentives to business expansion come about four and a half years too late, and, as is customary with the policies of this government, they are not only too late but too little. When we on this side of the house put forward proposals for business incentives session after session since 1957 they were without exception rejected by the government. Some of these business proposals of the government need clarification, and if we had had an opportunity for a normal debate on this important aspect of our economic and financial affairs perhaps the minister would have been able to give that clarification.

Take, for instance, his proposal for a tax reduction on profits of business from increased sales. It is not clear whether or not that reduction would apply to increased sales which are the result of increased prices; and if it would then, of course, there is a very considerable temptation to take advantage of this by increasing prices in order to qualify. We also note that there is no time limit placed on this particular proposal.

It is also very noticeable that the proposals that have been made have not been focused on the areas where help is needed most, the area of excessive unemployment and areas that should have been helped by special measures, which we have not had, which might provide for the introduction of new industries and new jobs.

The tax relief granted to individuals, as has been mentioned before, is, of course, marginal and minimum. No doubt the minister found it impossible to do any more because of the enormous deficits of the past and the enormous proposed deficit for the forthcoming year, which is the sixth straight deficit put forward by the minister since he first became Minister of Finance, and this sixth and enormous last deficit he is putting forward in a period which he and the Prime Minister call one of great and exciting expansion.

The minister makes certain estimates, predictions and forecasts in his white paper and we, of course, will judge those predictions in the light of his accuracy in predicting in the past. We remember how he used to boast that he would keep expenditures down; and yet expenditures year after year since he has been Minister of Finance have always been higher than estimated. That is why we have had half a billion dollars in supplementary estimates for the last fiscal year and, as we saw it, this had some bearing on the necessity of dealing with these hundreds of millions of supplementary estimates by giving them the kind of consideration which they deserve, especially as it has now been shown that the subjects with which they were concerned would not have received any other consideration in the main estimates for this year during this parliament.

In the last Liberal year the expenditures of the government were $4.8 billion. In 1961 that figure was up by 40 per cent with this government of economy to $6.6 billion, and in 1962-63 who knows how much above $7 billion they are likely to be? Where is that curbing of waste and extravagance? It has gone with Arizona Charlie; it has gone along with the Beauceville post office site; it has gone along with the balanced budget and with "no one will suffer from unemployment".

It is important to analyse the minister's record with regard to predictions and, as I say, we will judge the predictions and estimates he makes in the light of his record in the past. As a matter of fact, perhaps it may be said of the minister, as was once said in another context about the value of statistics, that they should be used like a drunken man uses a lamp post, for support rather than illumination. The minister certainly qualifies in that regard. Yet, Mr. Chairman, it is hard not to sympathize with the Minister of Finance. If he is searching for fiscal sanity, which in certain quarters is attributed to him, if he is searching, however unavailingly, for a balanced budget, he has the political sword of John Damocles suspended over his head, and I should think that must be a little unnerving to the Minister of Finance.

In any event, let us look at the record of his forecasting. The story of this government's economic forecasting must go back to January 20, 1958, just before the last general election when the Prime Minister produced in this house, in circumstances of deceit, the secret report entitled "The Canadian Economic Outlook for 1957". In abusing the confidential character of this document—

Mr. Bell (Carleton): That is not true.

Mr. Pearson: —he made two specific accusations against the former Liberal government. He claimed that this report had been deliberately hidden by the Liberals and he clearly implied that such reports should be tabled in the House of Commons.

Second, he accused the previous finance minister of not having used this document to give in his budget speech a detailed forecast of the true situation of the Canadian economy. We will see later how successful this Minister of Finance has been in giving the Canadian people a true picture of the Canadian economy in his forecast. We know, in so far as that earlier accusation is concerned, from the evidence produced since that time that both these accusations were false. This was the first and most unscrupulous distortion of the record of the past.

Let us see what the record has been since in so far as economic forecasting is concerned. The government was embarrassed by demands from this side that subsequent editions of this secret economic outlook report should be tabled, a report which has been prepared every year since 1946. After all, the government had produced one in 1958 when the Prime Minister violated its confidential character and quoted selected passages from it. Embarrassed by subsequent requests that this procedure be repeated in 1960, the then minister of trade and commerce, when we asked for the same treatment to be given to these reports subsequent to 1958 as was given to the one to which I have referred, told the house that this annual forecast which had previously been useful in the preparation of the budget had been discontinued. This report which, according to the Prime Minister should have been released in 1957, had become not only hidden but buried and sunk without a trace. Since 1958 therefore the minister, and I think it is very fortunate for him, has not had to produce any official evidence which, if it had been produced, I am sure would have made nonsense of his extravagantly over-optimistic forecasts.

On March 31, 1960, when the Minister of Finance presented his budget, another recession had started. But the preparation of the secret economic outlook report had been discontinued, so the minister felt free to fall back on his natural economic exuberance. He said, as reported on page 2669 of *Hansard* for March 31, 1960:

> We can look forward optimistically to another year of solid expansion and balanced growth.

Remember, he estimated at that time a 6 per cent increase in the gross national product and a small budget surplus, and the Tory cheers on that occasion almost shook the roof of this chamber. During the debate which followed, I warned the minister about the recession, that he was being over-optimistic in his predictions. Of course, all we got for that was the charge that we were the prophets of doom and gloom.

What were the actual figures, then, in 1960? The increase in our gross national product was not 6 per cent, it was 2 per cent. Who was wrong? The estimated small surplus turned out to be a deficit of $345 million. Who was wrong? The minister failed in 1960 to warn the Canadian people about the difficulties that were ahead, let alone do anything about them. It was only when the recession was over that he recognized that it had existed because in his budget speech of June 20, 1961, he finally admitted that something had gone wrong. This was in June, 1961, Mr. Chairman, when he said, and I quote again from *Hansard*, page 6640:

> —the economic outlook in the United States and Canada, which had been most encouraging at the beginning of 1960, had rather unexpectedly reversed itself, resulting in a disappointing slow down during the last three quarters of 1960.

Then, when the minister came to make his forecast for 1961-62, he was a little more cautious than he had been in the previous years. However, he was wrong again. I should like to quote now from page 6665 of the same volume of *Hansard*, where the minister is reported to have said:

> —in the absence of any changes in the current economic outlook or of any additional stimulus we might anticipate this year—

That is, the year we have just gone through.

> —an increase of about 3 per cent in our levels of economic activity.
>
> As a result of the policy statements and legislative proposals I have now made I would expect a significant improvement in our economic prospects.

Remember, Mr. Chairman, that was only a little more than nine months ago and surely when he held his budget until towards the end of June we might have expected a little more accuracy in his predictions. What happened? Well, he was wrong in his forecasts of expenditures and he was wrong in his estimate of the gross national product. The gross national product in the last year, 1961-62, he told us only nine months ago, would be a 3 per cent increase, even in the absence of the additional stimulus through government policies which he would provide.

What has happened? The minister's figures revealed the other day just what had happened. The increase was only 2 per cent in that year of boasted expansion. Therefore, by the minister's own admission, his policies

brought about a reduction of 1 per cent and deprived the Canadian people of about $360 million of income.

Mr. Fleming (Eglinton): That is rubbish, and you know it.

Mr. Pearson: The minister says the increase will be 3 per cent, plus what I am able to add to it by the policies I am introducing. The increase was 2 per cent and the minister's policies, by his own admission, resulted in a decrease of 1 per cent.

Mr. Fleming (Eglinton): Ever hear of the western drought?

Mr. Pearson: Only nine months ago, the minister was out about $150 million in his deficit estimate because as we know it was $791 million instead of $650 million. So, we accept any further predictions and estimates for the next year in the light of the record of his previous mistakes. In this respect, his public trust account is overdrawn.

Let us look at his further predictions for 1962-63. The current estimated sixth straight deficit is $745 million. On the record of past predictions, it will be considerably higher. It is based, this most recent forecasting by the minister, on a gross national product increase of about 7 per cent, assuming normal crops and no untoward events. I assure the minister that from his point of view there is going to be one very untoward event shortly. This gross national product of 7 per cent for 1962-63, the minister said, has been exceeded only twice in the last 10 years, both times of course under Liberal administration. But we know, and the minister must know if he pays any attention to the opinion of experts, that the current recovery is not as strong as expected in either Canada or the United States. Nevertheless, in the face of this situation, the Prime Minister who does not pay much attention, apparently, to the opinion of outside experts had this to say on March 22 in Montreal:

> In every part of this country the economy is making giant strides forward.

Tell that to the people in those areas where unemployment is 15 per cent of the labour force. Of course it is partisan rubbish, to use a favourite expression of the minister.

Conservative propaganda would like us to believe that all our economic problems have been solved, but in spite of the current, limited recovery we still suffer from chronic unemployment and lack of adequate economic growth which is the only way by which it can be removed. Moreover, many economists tell us it is likely that the current recovery will soon come to an end. Experts, but not the government, are worried about this. Cyclical patterns are quite regular, and in the recent past recessions have appeared every three years. The last one began in the second quarter of 1960 and, if that pattern is continued, the next one could start before the end of the current fiscal year.

President Kennedy, in his message to congress in January, had the courage to face this possibility. He warned the United States congress about the likelihood of another recession soon if adequate steps were not taken now to prevent it. In particular he asked for powers and made proposals to fight the recession if it should come again. The Minister of Finance did not have such courage as that. Just as he failed earlier to warn Canadians about the last recession, and in doing so misled the country about the true situation of the Canadian economy, so now he has failed in his responsibilities as a minister by not taking effective steps in preparation for what might lie ahead. There is nothing in this budget for that purpose.

If governments cannot entirely prevent recessions which originate in the private sector of the economy they can minimize their effects by appropriate action taken at the appropriate time—but not this government. That is not the way they operate. They do not anticipate; they do not understand; they do not prepare. They just stumble along and hope for the best, and there is no excuse for that. Instead of recognizing the possibility of danger ahead and getting prepared for it so as to minimize its harmful effect, ministers prefer expediency and complacency, as I have said, to paper over the cracks and tinker with the surface.

Since 1958 the present government has failed every single year to give us a proper and true picture of our economic situation. Every single year they have been proven to be wrong in their economic forecasts. One reason for this, as I have already pointed out, is that having sabotaged confidential relations with civil servants, they have destroyed the effectiveness of economic forecasting, which is so essential to the formulation and implementation of sound and appropriate policies. The government's systematically wrong and over-optimistic assessment of the situation since 1957 has not been conducive to appropriate and effective policies. It has been a major reason for the difficulties we have had to face.

I can summarize the mistakes of the minister and of the government in this regard in one short table. In 1958 he forecast a 2 per cent rise in the gross national product. In effect the increase was one per cent. In 1959 he talked about an increase in G.N.P. of 7 per cent, and the results were 3 per cent. In 1960 the forecast was 6 per cent and the facts were 2 per cent. In 1961 the forecast was "significantly" above 3 per cent,

and the results were 2 per cent. In 1962, on the eve of an election, the forecast is 7 per cent.

Mr. Pallett: The same as the Prudential Life.

Mr. Pearson: The Prudential Life is as strong as Gibraltar, and that is not the case with this government.

I should now like to say a few words about fiscal policy. The promises that the government made in 1957 with respect to government finances were very simple indeed—they would reduce expenditures, they would reduce taxes, and they would balance the budget. The Minister of Finance, when he was in opposition, used to be very eloquent about balancing the budget. In those days he found deficits to be sinful and shameful.

In 1957-58 when he took over responsibility for our finances, the recession reached its maximum intensity in the winter of 1957-58. The minister could have planned for a deficit to defeat that recession by stimulating the economy, but he refused to recognize it, let alone defeat it. Therefore the 1957-58 budgetary deficit, at the height of that recession, was $38 million.

In 1958-59 the economy was recovering from that recession. That surely was the time to reduce the deficit but the minister that year, in a year of recovery, budgeted for a deficit of $648 million, which was a peacetime record.

In 1959-60, now facing his third consecutive deficit, the minister finally realized that the financial situation which he and his colleagues had created did not fit with their earlier fiscal principles of a balanced budget at all costs, and so the minister decided to abandon the principles.

He announced his conversion in a speech on April 9, 1959 when, as recorded at page 2415 of *Hansard* he had this to say:

> As economic conditions change, the government's budget policy needs to change also. It must be flexible; it should be adapted to the shifting economic climate. There are times when a substantial deficit is clearly the right policy; there are times when the budget should be in balance; there are times when some provision should be made for the orderly retirement of debt.

It seems to me those are all Liberal sentiments. The minister went on to say:

> The problem of timing the adjustments in budgetary policy is not an easy one, and yet good timing is often of crucial importance.

That, Mr. Chairman, was the great conversion. That was the political conversion loan which was not any more successful than the other one. That was the birth of the new "flexibility Fleming". But, Mr. Chairman, the minister was flexible only in the variation of his deficits because he was not more faithful to his new set of financial principles than he was to his old ones.

As soon as he declared his new doctrine he abandoned it. It was quite clear that the fiscal year 1959-60 would be the peak of the 1957-60 business cycle, and according to the minister's new doctrine that was the time to provide for the orderly retirement of debt, or at least to balance the budget. So what did he do? He budgeted for a deficit of $393 million, up to then the second highest in the postwar period.

We now come to 1960-61. The 1960 recession began with the 1960-61 fiscal year and, according to the minister's new fiscal doctrine, he should have then planned for a sizeable deficit. But did he? No, Mr. Chairman. That was the year he planned for a surplus, and this is how he explained his plans for a surplus, as recorded at page 2681 of *Hansard*:

> The position we have now reached, with its sound prospect of a fully balanced budget, represents the fruits of carefully designed policies carried forward over the past 18 months.
>
> This is not something that just happened. It is a result of considered aims and efforts... I am happy to say that we have reached this goal of a balanced budget—

Some hon. Members: Oh, oh.

Mr. Pearson: The minister, not realizing what was going on in the Canadian economy, planned for a small surplus. He did it at the wrong time and got the wrong result; he got a deficit of $345 million. The planned surplus became a large, unexpected, unwanted and unplanned deficit. Now after it is all over we are told that that deficit was planned also.

Mr. Denis: Deficit Fleming.

Mr. Pearson: The 1960-61 recession ended with the beginning of the 1961-62 fiscal year. I think I can say without boasting that I was the first in this house, in March, 1961, to say that this particular recession was ending. Later in his budget speech on June 20, 1961 the minister himself recognized that when he said:

> By now in mid-1961—

That is last summer:

> —we are coming to the end of those adjustments related to special and cyclical factors which in 1960 were exercizing a restraining influence on expansion.

According to the minister's new financial principles of flexibility he should then have attempted to balance his budget, or at least reduce the deficit. Instead the minister announced, as we know, a deficit of $650 million, a new peacetime record in Canada, which became a deficit of $791 million. The Prime Minister and the minister then say, "We stand on our record".

Some hon. Members: Oh, oh.

Mr. O'Hurley: Yes, sir, so we do.

Mr. Chevrier: What a record.

Mr. Denis: A broken record.

Mr. Pearson: This year they are budgeting for a deficit of $745 million which, on the record of the past, will be more than that. You add it all up and what do you get? You get accumulated deficits over the minister's term of office of just about $3 billion; and if you add the depletion in the unemployment insurance fund and the liquidation of the national defence fund you get accumulated debts of $4 billion.

Mr. Denis: What a success.

Mr. Pearson: That amount is a debt the Canadian people will have to pay. For each family of four it will amount to $640. Yet we are informed that the Tories are able to wear these deficits as a cloak of virtue and with pride and say, "We did it all for the unemployed. We did it all for the expansion of the economy. We planned it all that way".

A hon. Member: Poor planning.

Mr. Pearson: What have we got? We have deficits of $3 billion and we have unemployment figures at a record high over these five years. Even in March, 1962 we have 718,000 claimants for unemployment insurance. We have deficits and we have jobless too. That is the ultimate in mismanagement by government. Government spokesmen counter that by saying that employment is up to record heights. Because of the slow down of the economy over these years the increase in employment is less than the growth in population. Therefore how can that increase which they boast about absorb the existing chronic unemployment, let alone the growth in the labour force? Employment—and these are the official figures—has increased by 324,000 since 1957. That is the boast.

The labour force—and the Prime Minister never talks about this—has increased by 515,000 since that time. Why is that? The answer is very simple indeed. It is because per capita production in constant dollars has actually decreased since 1957. The figure in 1957 was $1,923; the figure in 1961 was $1,893. There, Mr. Chairman, is the answer to unemployment.

Mr. Fleming (Eglinton): Mr. Chairman, will the hon. member permit a question? What is the source of the figures he has just now quoted?

Mr. Pearson: They are all dominion bureau of statistics figures.

[Mr. Pearson.]

Mr. Fleming (Eglinton): No. Would the hon. gentleman please give us the precise source of those figures, because they will not stand up.

Mr. Pearson: They are from the dominion bureau of statistics, and I take responsibility for them and stand by them.

Mr. Pickersgill: They stand up a lot better than your figures.

Some hon. Members: Hear, hear.

Mr. Fleming (Eglinton): May I ask the hon. gentleman, if he is not in a position to give the reference to his source now, would he undertake to do so as soon as possible?

Mr. Pearson: Of course, these are official figures.

Mr. Fleming (Eglinton): No, they are not.

Mr. Pearson: What I am giving I stand by as official figures.

Some hon. Members: Oh, oh.

Mr. Chevrier: They hurt.

Mr. Pearson: Since 1957 the population has gone up by 10 per cent; that is an official figure. Population is up by 10 per cent, but the goods and services produced in this country are up only by 9.1 per cent. So how can we possibly avoid unemployment with that rate of growth, or ensure expansion to take care of the increase in the labour force? Furthermore unemployment, bad as it has been recently—though it has improved over last year, and we cheerfully admit that on this side of the chamber—would have been much worse if the labour force had virtually not ceased to grow during the last year, with people dropping out of it, with immigration drastically reduced and with emigration increased until from the point of view of the labour force it just about balanced the immigration.

Let us look at the figures—and they are very depressing figures—in regard to unemployment. They underline the importance and urgency of this problem. The average number out of work for 1958, 1959, 1960 and 1961 was 6.8 per cent; the average from 1946 to 1957 was 3 per cent, which is less than half of that of the Tory years. In actual number, the average number of unemployed from 1946 to 1957 per year was 179,000; the average unemployed from 1957 to 1961 was 415,000. To deal with this there is the excuse which we hear all the time, that it was worse in the United States. I need only say that the United States average during the same period was 6.1 per cent; not higher, but lower. In Europe, of course, and in Great Britain, Australia and New Zealand there was virtually full employment.

In the face of all this the Prime Minister, the Minister of Finance and others keep shouting, "We have never had it so good". Indeed, as I have just said, the Prime Minister had the effrontery to boast in Montreal on March 21, and I repeat this quotation:

> In every part of this country the economy is making giant strides forward.

Mr. Churchill: Hear, hear.

Mr. Pickersgill: Not true.

Mr. Fleming (Eglinton): It certainly is.

Mr. Pearson: As I say, Mr. Chairman, tell that to the areas where the unemployment is 15 per cent of the labour force.

Some hon. Members: Hear, hear.

Mr. Pearson: And, Mr. Chairman, we know from their own propaganda that they actually give as evidence for this growing expansion and increased prosperity a great increase in unemployment payments. The Tories in their propaganda actually boast about this, the necessity for which should humiliate them.

Mr. Chevrier: Eight hundred per cent.

Mr. Pearson: They boast about the necessity for the great increase in unemployment itself. Because of these increased payments, and in spite of increasing the rate of contributions to the fund by worker and employer, the unemployment insurance fund dropped from $926 million in December, 1956 to $77 million on March 31, 1962.

Mr. Hellyer: Still going down.

Mr. Pearson: The unemployment insurance fund from 1942 to 1957 increased at an average rate of $9 million a month because there was practically full employment during those years. During the last 59 months, in spite of a 33 per cent rise in premiums the fund has decreased at an average rate of $17 million a month. The government propagandists say: "Isn't it wonderful? We are paying out so much more for unemployment relief." They boast about the fact that in 1961-62 the payments for unemployment relief had gone up by 847 per cent over the last full Liberal year. Perhaps if he were here the Prime Minister would recall the words he uttered in Brantford on February 7, 1958:

> The people who are unemployed will not be put in the false position of being on relief.

I repeat, the relief payments during this period have increased by 847 per cent. This is another chapter of the record on which this election is going to be fought.

Let us look for a few moments at a subject which is very close indeed to the heart of the Minister of Finance and very close to his interests. I refer to monetary policy. When the minister was in opposition he held the view, which was the correct view, that the government was responsible for monetary policy, and therefore the government of the day, when he was in opposition, should be condemned, and it was condemned, for tight money. The minister has been in office now for nearly five years. During the earlier years, for about four years or three and three quarters of that period, the minister was very emphatic in arguing that the government had no responsibility for monetary policy and therefore could not be condemned in 1959 for the most rigid tight money conditions ever experienced in Canada, with the highest interest rates we had ever experienced. In those days the minister argued that the Bank of Canada had the responsibility and, according to the Prime Minister in one famous "Nation's Business" broadcast, the Bank of Canada had the responsibility along with the big bad chartered banks.

Last summer it became necessary, so the government thought, to find a scapegoat for its lapses and its sins—

Mr. Fleming (Eglinton): That is not true and the hon. gentleman should know it.

Mr. Pearson: —and the governor of the Bank of Canada was chosen to be the victim.

Mr. Fleming (Eglinton): That is untrue.

Mr. Pearson: He was to be the victim even if it was necessary to tear up their cherished bill of rights in the process.

Mr. Fleming (Eglinton): The hon. member's accusation is completely false.

Mr. Martin (Essex East): That question has been decided.

Mr. Pearson: The dismissal of the governor of the Bank of Canada represents one of the most sordid and shameful episodes in our history.

Mr. Fleming (Eglinton): The hon. gentleman's accusation is completely false.

Mr. Martin (Essex East): It was an unforgettable brawl.

Mr. Pearson: The minister ran interference for the Prime Minister in this sorry episode.

Mr. Fleming (Eglinton): That is a false accusation, too.

Mr. Pickersgill: It is absolutely true and the minister knows it.

Mr. Pearson: The governor went, and he went in circumstances that brought shame on the government. He went in circumstances that besmirched the Canadian Bill of Rights,

which degraded parliament, which humiliated Canada abroad and tarnished her good name.

Mr. Fleming (Eglinton): Thanks to the part played in it by the Leader of the Opposition and the hon. member for Bonavista-Twillingate.

Mr. Pickersgill: The minister did not have the courage to resign.

Mr. Chevrier: The minister should have resigned.

Mr. Fleming (Eglinton): And leave matters in the hands of Liberal riffraff?

Mr. Pearson: Having got rid of Mr. Coyne a new governor was appointed in the person of Mr. Rasminsky whose first act was to issue a statement saying that the government did indeed have responsibility for monetary policy.

Mr. Martin (Essex East): Of course.

Mr. Pearson: This was something on which we had insisted all along and which the Minister of Finance had violently rejected.

Mr. Fleming (Eglinton): And which your leader, Mr. St. Laurent, rejected.

Mr. Pearson: The new governor of the Bank of Canada having issued this statement, the minister then followed it up at once with a statement in which he agreed entirely and in a rather meek way with the new governor. The Minister of Finance had gotten back, by the road of political expediency, to the point he started from ten years ago; but as the Prime Minister is so fond of saying—and he speaks with authority on this subject—you do not get indigestion from swallowing words.

The minister told us the other evening in his speech that he now sees the governor of the Bank of Canada at least once a week. The former governor of the Bank of Canada should have been seen by the minister at least once a week. Weeks and weeks went by when he did not see him.

An hon. Member: Four years.

Mr. Pearson: If the minister had seen him once a week he might have been able to criticize some of the statements the former governor was making during that period.

Mr. Hellyer: Some of them might not have been necessary.

Mr. Pearson: But he did not bother seeing the former governor during that period. What kind of monetary policy is it for which the minister now assumes responsibility? In opposition he used to lead some blistering assaults on the government of that day for tight money and high interest rates. I will quote just one statistic to show the present situation.

In 1956 the interest rate you had to pay on Central Mortgage and Housing Corporation mortgages was 5½ per cent and it was violently criticized by the minister at that time as being too high. It is now 6½ per cent.

What about the national debt and what about taxation policies? In Liberal days the national debt used to be reduced. We all know the record of the previous government in achieving a reduction of over $2 billion in post-war years. What has happened under this regime? Our gross national debt—and these, Mr. Chairman, are official figures—was $18⅓ billion on March 31, 1957. It was $21⅔ billion on March 31, 1961. In the fiscal year 1957-58 the national debt per capita was $648. In 1961-62 it was $725. Because of this increase and because of higher interest rates the payment of interest on the national debt has gone up from $520 million in 1956-57 to an estimated $804 million in 1961-62. But do not worry, say the apologists of the government, indeed, the political economists of the government—and I emphasize the word "political"—do not worry; this is easy to bear. What is $3 billion, after all?

And to what are the people of Canada most indebted in connection with this national debt? Surely our foreign debt must have gone down during these years because we recall how the Prime Minister and his friends were going to release Canada from the stranglehold of foreign debt—this was in 1957—and especially from United States control of our industry and development.

You will remember, Mr. Chairman, how hon. gentlemen opposite accused Liberal governments of having sold Canada to the United States, of making us an economic satellite; and in driving home their arguments, for political vote catching purposes they are not above fomenting or exploiting anti-American feeling.

What is the situation now? Again the figures tell the story and they again throw a lurid light on the gap between Tory promises and Tory performance. According to official figures from the bureau of statistics released on March 12, 1962, Canada's net balance of international indebtedness rose in the year 1960 from $14 billion to $16.9 billion and in 1961 to almost $18 billion. Even more significant, the greatest part of the increase was due to the direct investments of Americans in United States branch plants and subsidiaries in Canada, particularly in resource industries such as petroleum and natural gas and mining and smelting.

As a result of the growth in foreign ownership and investment, the amount of money

sent out of Canada in the form of dividends, profits and interest rose from $669 million in 1960 to $771 million in 1961. That was the increase in one year alone.

So much for the Tory policy of saving us from United States domination. I should not say that they have done nothing during these five years. They have passed a bill which makes it necessary to give some information about this matter. Taxation?—how have the minister and his government managed this? In 1957 they ranted about the country asserting that every Canadian family was overtaxed by $500. This used to be the theme especially of the Minister of Trade and Commerce. I am sorry he is not in the chamber tonight either. In the year 1957 the Canadian people paid $4,928 million in taxes, and these are official figures. In 1961 they paid $5,751 million into the federal coffers, an increase of 17 per cent, more than $70 in additional taxes for every Canadian family of four. Thus between the fiscal years 1957 and 1961 —and this should end all this talk about the easier burden of income tax that we hear from government spokesmen—the amount collected from personal income tax went up by 28 per cent and on a per capita basis income tax went up from $94 to $108 or by 15 per cent.

There is something else the minister has done recently that should be noted, namely the decision with regard to the devaluation of our dollar out of which he takes great and growing satisfaction these days. It was not very long ago—two or three years ago—that the minister was telling us that the government could do nothing about devaluing the dollar. We on this side in 1958, 1959 and 1960 urged this course on the government at a time when devaluation would have done the most good. However, the minister replied in those days that to lower the value of the dollar—and I quote from his statement in the house—would be "a gigantic financial speculation with little chance of success" and would result in undesirable and indeed impossible controls. Then last summer the minister saw another great light.

Mr. Hellyer: The vision.

Mr. Pearson: In his budget speech he told us he was going to force down our dollar "significantly". That is a word he seems to like. He said he was going to force it down significantly through the exchange fund by purchasing United States dollars. In that same speech in June, 1961—I refer to his budget speech—he said this course would be desirable also because it would add to our reserves—and I quote—"which have not grown over the past decade in line with Canada's international transactions". Our reserves were too low. This is to be found at page 6649 of *Hansard* of that year. That was nine months ago. The situation now is that instead of buying United States dollars in order to get our reserves up and get our dollars down he is selling United States dollars in order not to depress but to support the Canadian dollar, to stop it from going down too far.

Some hon. Members: Oh, oh.

Mr. Pearson: It is going down and it may go down too far because of loss of confidence in that dollar. One reason for that loss of confidence, in addition to certain ambiguous statements by the minister, was the shameless Coyne affair and the effects it had abroad.

Mr. Chevrier: It lowered the prestige of Canada.

Mr. Pearson: This operation which was to bolster our reserves, has cost our reserves about $350 million in the first three months of this year. I can only describe that, Mr. Chairman, as muddled manipulation of our dollar.

We ought to say a word about trade because that matter loomed quite large in the minister's statement, especially in that part of it which was not given to the house. The criticism of the minister and his colleagues in 1957 of the government of that day was that Canada had too many trade eggs in one basket. Since then the only new baskets of any significance in terms of trade which have been developed have been red China and Cuba. We remember the 15 per cent diversion boast in 1957 to transfer $500 million of imports from the United States to the United Kingdom. What a phony that turned out to be. We on this side, of course, knew that it was a hoax from the beginning. However, the British took the Canadian Prime Minister seriously and in order to assist him in achieving this objective they made a proposal for free trade between the two countries in September of 1957. After all, that was the only way in which this boast could have been fulfilled or in which this vision could have been realized. However, the Canadian government, their bluff having been called, treated this offer with silent contempt. They swept it under the rug and they hoped that everyone would forget that it had ever been made. However, the United Kingdom did not forget. They learned among other things how much importance was to be attached to the public declarations of the Prime Minister and his colleagues. After the dust had cleared away the Canadian government introduced a series of measures designed not to help but to hinder the ability of the United Kingdom to assist

the Prime Minister to realize that 15 per cent diversion. They were pin pricking, protectionist measures.

Then let us look at the confusion about Canadian policy toward the United Kingdom and the European common market. It is impossible to resist the temptation to say a word or two about that matter especially as now some attention is being distracted from the past policy, the past attitude and the past words of the government in this matter. A year or so ago—about a year and a half ago—the British government gave clear indications for anyone who wished to understand them that it would seek to come to terms with the new European common market by membership, if possible on suitable terms. The Canadian government pooh-poohed our warnings that this might happen. They received many from this side of the house and they paid no attention to our suggestion that it should be a first requirement of Canadian policy also to try to come to terms and to make arrangements with this new and important European development. Instead of trying to bring this development across the Atlantic and transform it into something even bigger than a European arrangement, they decided to fight it and they went to Accra for that purpose. The Canadian government, instead of taking a constructive and farsighted approach, violently criticized the United Kingdom for seeking to join the European common market and warned of dire results for the commonwealth if that ever happened.

At this commonwealth meeting at Accra the Canadian delegation—and the Minister of Finance was one of them—acted like petulant children. That is how they were described in Canada and abroad at the time.

Mr. Fleming (Eglinton): Falsely described.

Mr. Pearson: There is other evidence of this purely carping and sterile attitude. We have the refusal of the Canadian high commissioner in London to attend a meeting of commonwealth representatives called by Mr. Heath to discuss European common market questions. We have the irritable and unnecessary complaint of the Minister of Finance that they were not shown the full text of Mr. Heath's statement last autumn to the European common market negotiators in Paris. Since that time we have had a full summary of that statement which was given to the minister at that time. We have been able to compare the summary with the full text which has also been made public, and it is quite clear that the summary contained every bit of substantial information that the full text contained.

Mr. Fleming (Eglinton): Will the hon. gentleman permit a question?

[Mr. Pearson.]

Mr. Pearson: Of course.

Mr. Fleming (Eglinton): Is he not going to be frank enough to tell the committee that the summary was a summary of only one part of the speech?

Mr. Pearson: That is perfectly true, Mr. Chairman. There was a great deal of introductory matter in the speech. I have read the speech and I have read the summary and I say that every piece of substantial information in the speech which the Canadian government would have a right to have in negotiations of that kind was contained in the summary.

Mr. Fleming (Eglinton): Then does the hon. gentleman say that the full text should not have been made available to Canada and other commonwealth countries?

Mr. Pearson: This government, Mr. Chairman, is very sensitive about making public the texts of diplomatic documents when it is in the midst of negotiations with other governments, and it should exercise the same restraint in respect of other governments making texts available to them.

Mr. Fleming (Eglinton): Will you answer the question?

Mr. Pearson: I tell the minister that he got all the information which the government required in the summary which was given to him and that has been proven by comparing the summary and the full text.

Mr. Fleming (Eglinton): Now will you answer the question?

Mr. Pearson: Therefore, Mr. Chairman—

Mr. Fleming (Eglinton): Will you answer the question?

Mr. Pearson: —the irascible and indignant complaints of the minister on this occasion were not only unwarranted but mischievous.

Mr. Fleming (Eglinton): And your statement now is untrue, completely untrue. You ought to know better.

Mr. Pearson: Yet in the light of all this the Minister of Finance had the amazing effrontery to make a speech in Vancouver on March 29 in which he stated, and he has stated it before:

> Canada has shown no hostility toward the United Kingdom in connection with negotiations over the common market.

Mr. Fleming (Eglinton): Very true.

Mr. Pearson: The Minister of Trade and Commerce was even more absurd in his statement in Lethbridge on April 5—

Mr. Fleming (Eglinton): You find the truth absurd.

Mr. Pearson: —when he is reported as having said:

> Canada is not trying to influence Britain on whether she should join the E.C.M. or not.

Mr. Fleming (Eglinton): You do find the truth absurd, don't you?

Mr. Chevrier: He finds the minister absurd.

Mr. Pearson: I have comments here from British papers about the Canadian position and I have comments here from Canadian papers about the Canadian position. Are they all wrong? Is everybody in Great Britain and Canada wrong about the government's attitude? Can the minister find anything in any newspaper praising the attitude of the Canadian government at Accra?

Mr. Fleming (Eglinton): Yes, those that were acquainted with the facts.

Mr. Macdonnell: I should like to ask the Leader of the Opposition a question. He says he has comments from British newspapers as to what happened at Accra. Has he read what the London *Economist*, which I presume he respects, had to say?

Mr. Pearson: Indeed I have, and when I spoke about this before I put on the record exactly what the London *Economist* said and it was nothing to give any comfort to any member of the government. I wish I had it here.

Mr. Macdonnell: Will the Leader of the Opposition put the comment of the *Economist* on the record, or will he allow me to do so?

Mr. Pearson: Perhaps the hon. member would put it on the record at the end of my speech. I am frank to admit, Mr. Chairman, that there has been a very considerable change in the government's attitude and the government's words in the last few weeks. Of course they soon saw the reaction in this country to their policy at Accra. Frightened about the votes they would lose by his needless and carping criticism of the United Kingdom, this rather stupid attitude, the Prime Minister and his colleagues have since that time tried to beat a retreat and to swallow their earlier words, and the Minister of Finance and the Minister of Trade and Commerce have been doing some swallowing in that regard.

Mr. Fleming (Eglinton): Not at all.

Mr. Pearson: Perhaps at long last they are beginning to realize that to protect Canadian interests it is not necessary to irritate everybody else.

Mr. Martin (Essex East): That is the heart of the problem.

Mr. Fleming (Eglinton): It is necessary to deny what you are saying because it is not true.

Mr. Pearson: As the London *Telegraph* or Sunday *Times* said at that time, people want to be on good terms with the Canadian government but it is almost impossible to be on good terms. Surely the government is now aware of the fact that in order to support the commonwealth it is not sensible needlessly to offend the most important member of the commonwealth.

In short, Mr. Chairman, the conduct by this government of its trade relations with the United Kingdom has been characterized by shortsighted and angry stupidity. And this is the government that at every possible opportunity shouts from the housetops on every conceivable occasion its devotion to the commonwealth association. Again, it is a case of words rather than action.

Mr. Fleming (Eglinton): You certainly have never done anything for the commonwealth.

Mr. Pearson: I prefer to let my attitude to the commonwealth be shown by deeds rather than by words.

Mr. Fleming (Eglinton): You dragged your feet at every commonwealth conference you ever attended.

Mr. Pearson: As for becoming less dependant on the United States for trade, this is what the Minister of Finance is reported in the Vancouver *Sun* as having said in that city on March 29 last:

> Canada will have to follow Washington's trading policies to adjust successfully to changing patterns of world trade.

Mr. Hellyer: What an about-face that was.

Mr. Pearson: The minister also said at Saranac, New York, on April 7, the day before the budget speech, I believe:

> We are fortunate these days in witnessing the constructive and imaginative leadership of the United States.

I wish we had some constructive and imaginative leadership in this government, Mr. Chairman.

Having talked about trade relations with the United Kingdom, I should like to look for a moment at the external trade picture generally and the figures for our exports, because those figures constitute one of the biggest boasts of the government. We will hear a great deal about them in the weeks ahead. The Prime Minister and other ministers have claimed, certainly the Minister of Trade and Commerce has done so, that in 1961 Canada experienced the greatest growth in

our exports in our history. That was the statement made by the Prime Minister. That growth, and it is one from which Canada can take satisfaction, was something over 9 per cent over 1960. I believe it was a very small amount over 9 per cent, but notwithstanding what the Prime Minister said in the exuberance of his imagination about this being the greatest growth in our exports in our history, in six of the eleven post-war years our exports increased by more than 9 per cent. This is an instance of what I have just referred to as the exuberant use of statistics.

We admit, of course, that exports increased last year and it is a very good thing they did. Let us hope they will increase even more this year. But while our exports may have increased this cannot obscure the fact that our relative position in world trade has gone down since 1956, and that is something which should cause every Canadian some worry.

Mr. Fleming (Eglinton): Our trade has not gone down since 1956.

Mr. Pickersgill: Relatively.

Mr. Fleming (Eglinton): Nonsense.

Mr. Pearson: The Canadian share of world trade has gone down since 1956, and if the minister gets any satisfaction—

Mr. Fleming (Eglinton): Canadian trade has gone away up since 1956, one record after another. Why don't you tell the whole truth?

Mr. Martin (Essex East): The fifth trading nation now.

Mr. Pearson: If the minister wants to speak, let him get up on his feet. I am giving statistics which are true.

Mr. Fleming (Eglinton): You are distorting the facts.

Mr. Chevrier: The minister is annoyed.

Mr. Fleming (Eglinton): A travesty of distortion.

Mr. Pearson: Let me repeat what the Prime Minister said.

Mr. Pickersgill: Was the Minister of Finance treated this way in the budget debate?

Mr. Pearson: I am not worried about him. He is a little upset tonight by this exposure of his financial policies. I am going to repeat what the Prime Minister said because the Minister of Finance does not accept it. The Prime Minister claimed that in 1961 Canada experienced the greatest growth in our exports, a 9 per cent increase. I tell the minister that in six of the eleven post-war years Canada's exports increased by more than 9 per cent. Let him try to reconcile these two statements if he can. I also say to the minister that our relative position in world trade has gone down since 1956, notwithstanding certain ministers' attempts to try to do something about it. In 1956, which was the last full year of Liberal administration, this country exported $5,254 million worth of goods. I use United States dollars so a comparison will be made on the same basis as world exports which are reported in United States dollars; that is the United States dollar figure. World exports for that year were $93,960 million.

Mr. Harkness: You had a trade deficit in those years.

Mr. Martin (Essex East): Oh, look after your Bomarcs.

Mr. Harkness: You don't like the truth.

Mr. Pearson: In 1961—

Mr. Chevrier: Fire a few more civil servants.

The Chairman: Order; with these continual exchanges I have some difficulty in hearing what is being said.

Mr. Pearson: In 1961, Mr. Chairman, if I may be permitted to proceed in relative calm, Canada exported $6,076 million, which is a very considerable increase over 1956. However, world exports had increased in that year to $118,300 million; in other words, world exports expanded by 25.9 per cent during this five year period while Canada's exports expanded by 15.6 per cent. In 1956, Canada was fourth largest exporter in the world, and in 1961 she was fifth.

Our exports by destinations are significant. They went up during this period to the United States, in 1961, $162 million or 5.5 per cent to $3,198 million. These are exports to the United States, and this is the basket which used to worry hon. gentlemen opposite when they criticized us. Our exports to the United Kingdom last year went down $5 million to $920 million. Our exports to the rest of the world, and this increase is largely to communist China, went up $342 million or 31 per cent to $1,443 million.

Our imports from the United States were up last year by 4.9 per cent to $3,874 million. Our imports from the United Kingdom were up 6.2 per cent to $625 million.

Now, this increase in our exports, from which we can take satisfaction, is due largely as I have already indicated to sales of grain to communist countries, mainly China, and that is not a very substantial or permanent basis for an increase; to devaluation and to increased sales to Japan and Cuba. Much as

we welcome the increased sales to any country, we cannot help but be preoccupied by the nature of these increases when they go to destinations which do not provide a continuing and solid foundation for the kind of increase we would like to see happen. As the *Globe and Mail* said on January 30, 1962, and I quote from this editorial:

> Particularly pleasant was the rise in exports of wheat, which made up the larger part of the increase, for our wheat farmers have not generally shared in Canada's advancing prosperity in the last ten years.

Then, the editorial continues:

> Let us enjoy this pleasure while we may, for the additional sales of wheat were more the result of China's bad luck than our good management.

The Minister of National Defence, in his interruption a few minutes ago, talked about our favourable balance of merchandise trade. Of course, at the moment, this represents the most popular talking point of government spokesmen who are dealing with trade. This is their biggest boast, Mr. Chairman. It is quite true. We can take, all of us, satisfaction out of the fact that our merchandise trade last year showed a favourable balance of $179 million as compared with an unfavourable balance of $145 million in 1960. I believe, Mr. Chairman, in giving all the statistics on each side of this question, unlike some government spokesmen. This is an important change for the better and is a gain of $324 million in our balance of merchandise trade.

Our non-merchandise trade, Mr. Chairman —government spokesmen do not talk about this—had an unfavourable balance of $1,070 million in 1960. This unfavourable balance went up to $1,168 million in 1961, or a loss of $96 million. We do not hear these figures from government spokesmen or from government propagandists. The result of this is that in 1961 our total unfavourable balance of payments, merchandise and non-merchandise, was $989 million, almost $1 billion. This means, Mr. Chairman, that our current account deficit for 1961, merchandise and non-merchandise, amounted to almost $1 billion. If the minister tells me that is a better figure than last year, I say that is true. But I would point out to the committee that for the five years, 1952, 1953, 1954, 1955 and 1956, our current account deficits totalled $2,726 million, or an average annual current account deficit of $545 million. What is the picture for the five years 1957, 1958, 1959, 1960 and 1961? The total accumulated current account deficit was $6,113 million or an average annual current account deficit of $1,222 million. This is what the government calls improvement in our position.

The government has taken a great deal of satisfaction out of what they call the great improvement in the economic situation. The government is boasting about the economic recovery that has been taking place since the spring of 1961.

Mr. Walker: This is a dull speech.

Mr. Pearson: If the Minister of Public Works would just refrain from his normal bad mannered practice of interrupting—

Some hon. Members: Oh, oh.

Mr. Pearson: If he must talk however, Mr. Chairman, perhaps he will be able to restrict his language to that which is customary in parliament instead of the language he used the other night.

Mr. Walker: Will the hon. Leader of the Opposition—

Some hon. Members: Sit down.

Mr. Walker: —say whether Walter Gordon, who is in the house tonight, wrote this very dull speech?

Some hon. Members: Sit down.

Mr. Pearson: I did not hear what the minister said but I do not believe, Mr. Chairman, that I missed very much.

Well, Mr. Chairman, of course there has been recovery in our economy. We predicted it early in 1961. We thought the minister was a little pessimistic at that time. We expected, of course, on this side that the recovery would continue through the most of 1962. As I said earlier in my speech, Mr. Chairman, it is a normal movement in the business cycle.

Mr. Creaghan: You hope not.

Mr. Pearson: I did not catch that additional interruption from some hon. member who did not stand up.

Mr. Creaghan: I will repeat it. I said, you hope not.

Mr. Pearson: I think he said that we hope this—

An hon. Member: You are extremely dull.

Mr. Pearson: The hon. member says that we on this side hope the improvement will not continue. That is what the Minister of Trade and Commerce has said, and that is what the Minister of Public Works said outside this house. Mr. Chairman, whenever that kind of statement is made I call it a slanderous falsehood. That is what it is, and although I know that having called it that, that is not going to prevent the Minister of Public Works from using those words whenever he sees fit.

Mr. Walker: Your days are numbered.

Mr. Pearson: I suggest, Mr. Chairman, this is the kind of policy or lack of policy we have been getting from the government. I charge the government with not doing anything to meet this predictable end, with not putting into effect the kind of policies that will be needed to meet this problem if and when it arises. They are taking refuge in extravagant optimistic hopes that something will turn up to get them out of the trouble in which they have been for the last five years. Yet, Mr. Chairman, when we call attention to these difficulties and dangers that may lie ahead, what reply do we get from the minister and his colleagues, especially from the loquacious Minister of Public Works with his eloquent parliamentary language? We get the reply that we are prophets of doom and gloom.

We get that reply in spite of the fact that we point out that every prediction the Minister of Finance has made about the economy has been wrong, that he has been extravagantly over optimistic in everything he has said, and that every estimate he made has been wrong every time about what was going to happen.

Mr. Fleming (Eglinton): Will the hon. gentleman permit a question?

Mr. Pearson: I am always delighted to hear the minister.

Mr. Fleming (Eglinton): Has he completely forgotten that the deficit for the fiscal year 1958-59 was substantially less than I had forecast?

Mr. Denis: You were wrong.

Mr. Fleming (Eglinton): Let us hear what your leader has to say.

Mr. Pearson: The minister has just convicted himself out of his own mouth. He says he was wrong away back in 1958-59 but, Mr. Chairman, this was the only time he was wrong in the right way.

Mr. Fleming (Eglinton): That is not what you said a moment ago.

Mr. Pearson: Not only has he been wrong the right way once but he has been wrong in the wrong way many times. However, I am glad he was wrong in the right way once, but that was away back in 1958.

Mr. Fleming (Eglinton): Don't you think you were extravagantly wrong just now?

Mr. Pearson: When the minister and his colleagues try to get out of their difficulty by criticizing those who expose their weakness and call attention to the problems facing him, they call us prophets of doom and gloom. I say, Mr. Chairman, that is merely cheap politics and demagoguery. Nothing we have said in this house about the economic position at the present time has been contradicted by outside objective observers. I could quote, as I have done, the president of the Newfoundland-Anglo Development Company. I could also quote the ex-governor of the Bank of Canada, Mr. Graham Towers, who said our economy is not growing sufficiently to take care of the demands made on it.

I could also quote another very eminent economic authority whom the Prime Minister loves to quote, Mr. Michael Barkway, who said in the *Citizen* on April 2:

> Amongst economic experts who have no political axe to grind recent weeks have brought a distinct moderating of optimism about both the length and strength of the business pick-up.

All we asked was that the government realize that some of these things may happen, and that in the budget put forward by the Minister of Finance there might be some policy to deal with them if they do happen. But all we have had was a little more of the old stuff we have had during the last four years. It is too late and it is not good enough.

All the big decisions of this government are always being postponed. On this occasion we have got just a little more of their usual treatment for economic recovery, a little of the same, and it is the same four years too late. The problems are piling up. Yet the government ignore them and fall back on their favorite motto—save the surface and you save all.

We have had continuous growth of our debt over the last five years, a piling up of deficits without the economic growth and employment that would justify them. We are having more and more international indebtedness and greater and greater foreign control. We had four years of refusal by the government to do anything about the dollar, and now they are trying by frantic efforts to keep it from dropping too far. We have had devaluation by loss of confidence. We have had fumbling and uncertainty in international trade policies. We have had an increase in exports, but it is dependant on markets which give no assurance of stability or continued growth.

We have had a continued postponement of solutions to the problems that are facing this country but, Mr. Chairman, that continued postponement is nearly over because the time is coming when this government will have to give an account of their stewardship to the Canadian people—

Mr. Bell (Carleton): And happy they are to do it.

Mr. Pearson: —and the Canadian people will decide on the record of that stewardship.

Mr. Bell (Carleton): That is what you said in 1958.

Mr. Pearson: That is what I am saying in 1962.

Mr. Bell (Carleton): The result will be the same.

Mr. Pearson: Not according to the recent test of public opinion carried out by an agency asked to do this test by the Toronto *Telegram*.

An hon. Member: You went south of the border.

Mr. Pearson: That paper initiated and financially sponsored this test, but when the results came out in the last week or so they were so damning for the Conservative party that the newspaper which initiated this test refused to publish the results.

Mr. Campbell (Stormont): Was the man who composed the speech being delivered by the Leader of the Opposition the same man who was responsible for the liquidation of Canada Cottons Limited in Cornwall?

Mr. Pearson: That is probably the last interjection the hon. member is going to make during this session, and perhaps his last intervention in a Canadian parliament. May I tell him that this interjection is characteristic of all the others that have preceded it in this parliament.

Mr. Campbell (Stormont): Will the Leader of the Opposition answer my question?

The Chairman: Order. The Leader of the Opposition has not yielded the floor.

Mr. Pearson: In closing I think I can do no better as this parliament comes to its untidy end, than to quote Oliver Cromwell. Unlike the doughty editor of the Ottawa *Journal*, who perhaps does not know his Cromwell as well as he knows his Burke and Meighen, I shall quote the whole passage.

Mr. Walker: This is your valedictory.

Mr. Pearson: This is what Cromwell said about a parliament, and it could be applied to the Conservative members of this parliament as it comes to its unlamented end:

> You have sat there too long for the little good that you do. It is time to make way for better men. In the name of God—go.

Mr. Chairman, it is time for this government to make way for a better one.

Mr. Fleming (Eglinton): Mr. Chairman—

Mr. Martin (Essex East): On a point of order, Mr. Chairman, the hon. member for Burnaby-Coquitlam surely must have had your eye before the Minister of Finance.

Some hon. Members: Sit down.

An hon. Member: You can't take it, eh?

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Under our rules it is understood that the parties are given a fair opportunity to present their side of the case. The Minister of Finance had over two hours when he presented his budget. Following him there was the Leader of the Opposition. To deny the hon. gentleman who stands immediately to your left the opportunity of speaking would be a violation of the rights of hon. members of this house.

Some hon. Members: Hear, hear.

Mr. Denis: Closure.

The Chairman: Order. The hon. member for Essex East has raised a point of order and I will hear the hon. minister on the point of order.

Mr. Fleming (Eglinton): Mr. Chairman, we are in committee of ways and means. I have not spoken in this committee.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Monopoly of debate.

Mr. Fleming (Eglinton): The last speaker was from the opposition. I now claim the right to use the five and a half minutes that remain to make some reply.

Mr. Howard: On a question of privilege—

Mr. Martin (Essex East): On a point of order, Mr. Chairman—

Mr. Chevrier: Mr. Chairman, on a point of order.

Mr. Fleming (Eglinton): Mr. Chairman, hon. members opposite are engaging in a time killing manoeuvre to prevent free speech in this house.

The Chairman: Order. I cannot hear more than one hon. member at a time. I understand the hon. member for Skeena has risen on a question of privilege.

Mr. Howard: Yes, Mr. Chairman. In accordance with the right provided by the rules, I move that the hon. member for Burnaby-Coquitlam be now heard.

The Chairman: Moved by Mr. Howard, seconded by Mr. Herridge—

An hon. Member: This is Liberal closure.

The Chairman: —that the hon. member for Burnaby-Coquitlam be now heard. All those in favour of the motion will please rise.

Mr. Fleming (Eglinton): Liberal closure.

Some hon. Members: Order.

An hon. Member: Impersonation.

Mr. Denis: A new type of closure.

Mr. Deschatelets: The committee is over now.

Motion (Mr. Howard) negatived: Yeas, 35; nays, 49.

The Chairman: I declare the motion lost.

Mr. Chevrier: Mr. Chairman, I rise on a point of order.

Some hon. Members: Oh, oh.

The Chairman: Order. I will hear the hon. member for Laurier on a point of order.

Mr. Chevrier: My point of order is that after the vote was called and while it was being taken the Postmaster General came in. That is contrary to the rules of the house. He should therefore not have voted and his vote should not be counted.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, I was just seeking simple words that the opposition could understand, and trying to simply phrase them. Certainly I came in after the vote was called. However, as the hon. member knows perfectly well, this rule applies only when the Speaker is in the chair.

Some hon. Members: Oh, oh.

Mr. Hamilton (Notre Dame de Grace): When the house is in committee an hon. member may come in at any time—

Some hon. Members: No, no.

Mr. Hamilton (Notre Dame de Grace): — until the row has been counted.

Mr. Howard: Mr. Chairman, may I make a comment on the point of order and in respect of what the Postmaster General has just said. On previous votes in committee, on two separate occasions I have raised a similar point of order without naming the hon. members who came in late. On each occasion the chairman of the committee at that time agreed that my point of order was well taken and that hon. members should not enter the chamber when a vote was being taken in committee.

The Chairman: Standing order 12, paragraph 2 reads:

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

There is no doubt that by analogy the same rule will apply in committee. Therefore I believe that one vote should be deducted from the count made.

[The Chairman.]

Mr. Pickersgill: Mr. Chairman, I move that the committee rise and report progress.

Mr. Churchill: Ten o'clock.

Some hon. Members: Closure.

Mr. Nesbitt: Typical Liberal closure.

The Chairman: Order. Before I put the motion may I ask if the hon. member would defer his motion, as it is now ten o'clock and we could call it ten o'clock.

Mr. Pickersgill: I would be very happy to withdraw the motion, sir.

Mr. Caron: Mr. Chairman, it was stated that the Postmaster General came into the chamber while the vote was being taken. The hon. member for Cape Breton South also came in after the vote started.

The Chairman: The same alteration would apply.

Mr. MacInnis: Mr. Chairman, on a question of privilege, the hon. member for Hull has called attention to the fact that I came in from behind the curtain after the vote was called.

Mr. Caron: Yes, you did.

Mr. MacInnis: If my eyes served me right, the hon. member also came in after the vote was called.

Some hon. Members: Oh, oh.

The Chairman: Order. It being ten o'clock—

Mr. Caron: Mr. Chairman, the hon. member for Cape Breton South said that I came into the chamber after the vote was called. I was in here when the vote was called. I came in before the vote was called. The hon. member came in after the vote was called, and there is quite a difference.

Mr. Denis: Get some glasses.

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

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, I take it that tomorrow we will continue with this debate.

Mr. Churchill: More of the same tomorrow, Mr. Speaker, and perhaps on Thursday.

Mr. Denis: Hear, hear.

Mr. Pickersgill: They cannot make up their minds about anything, poor fellows.

Mr. Pallett: Mr. Speaker, I wonder if unanimous consent could be given with respect to tomorrow's order paper; that is, to having

private members' bills printed for private members hour and giving them precedence during that hour.

Some hon. Members: Agreed.

Mr. Deschatelets: I did not hear what was said.

Mr. Speaker: It has been suggested by the parliamentary secretary that the private bills be printed on tomorrow's order paper and by unanimous consent be given precedence during private members' hour.

Mr. Howard: I think we would agree to that if the hon. gentleman has any expectation of making progress on them.

Mr. Speaker: Is it agreed that private bills be printed under private members' business tomorrow with priority?

Some hon. Members: Agreed.

It being two minutes past ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, April 18, 1962

The house met at 2.30 p.m.

EXCISE TAX

AMENDMENT OF RESOLUTION RESPECTING SALES TAX

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, in keeping with the practice I followed in previous years I should like to give notice of an amendment to the Excise Tax Act resolution which I intend to move when this resolution comes before the committee of ways and means in due course. The amendment is merely to change the effective date of paragraph 7 of the Excise Tax Act resolution.

The paragraph in question deals with the liability for sales tax when certain equipment is diverted from a tax exempt use to a taxable use. It now provides that legislation based thereon is to become effective from budget night. The amendment I propose provides that this legislation shall come into force on receiving royal assent. In view of the expected delay in the enactment of legislation based on the budget resolutions it is considered that this paragraph, which concerns the administration and collection of sales tax, should not be considered as having come into effect on budget night and instead should await the passage of legislation.

I think I should give the text of the proposed amendment.

That paragraph 9 of the Excise Tax Act resolution be amended to read as follows:

"9. That any enactment founded on paragraphs 1 to 6 of this resolution be deemed to have come into force on April 11, 1962, that any enactment founded on paragraph 7 of this resolution shall come into force on the date the said enactment is assented to, and that any enactment founded on paragraph 8 of this resolution be applicable in respect of contracts of insurance entered into or renewed after April 10, 1962."

HEALTH AND WELFARE

REMOVAL FROM MARKET OF DRUG MER 29

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, on March 30 I made a brief statement in the house relative to a drug called thalidomide which has been removed from the market. Last Monday similar action had to be taken regarding another new drug, MER 29, and I understand that parallel steps were carried out in the United States.

I might add that in order that the procedure for reviewing new drugs should encompass the most complete assurances of their safety, I have today requested the Royal College of Physicians and Surgeons of Canada to set up an ad hoc committee to consider procedures which the department has followed for over 10 years.

I am most anxious, Mr. Speaker, that the people of Canada receive the full benefit of advances in medical science as soon as safety has been determined. I trust that the action being taken today will be reassuring in this regard.

TRADE

GATT—ANNOUNCEMENT OF FURTHER RESULTS OF NEGOTIATIONS

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I should like to announce some further results of the GATT tariff negotiations which have been taking place in Geneva.

During the tariff conference Israel, Portugal, Cambodia and Spain engaged in tariff negotiations with several countries in order to complete the necessary steps for their accession as member countries to GATT. This will bring the membership of the GATT to 44 members, accounting for well over 80 per cent of world trade.

In our negotiations with Israel and Portugal, concessions of interest to Canadian exporters were secured. In addition, indirect benefits accrue to Canada by virtue of bilateral negotiations between these two acceding countries and third countries including the United States. The results of the United States negotiations with these two countries have already been drawn to the attention of the house in my announcement of April 6.

Tariff reductions obtained from Israel of interest to Canadian exporters include the following: wheat, aluminum, synthetic rubbers, phenol and radio navigational instruments. Bindings against tariff increases were secured on hoops and strips of iron and steel, internal combustion engines and cattle hides.

Portugal has agreed to reduce the duty on flaxseed, synthetic rubbers, copper, synthetic fibre threads and yarns, films and refrigeration apparatus. Existing rates on salted cod were bound against increase.

In return, Canada has agreed to bind the existing free entry on oranges, almonds,

boards and blocks of cork, ripe olives in brine and unset diamonds. Canada also agreed to bind the existing rates on corks and to reduce the duty on manufactures of cork from 15 per cent to 10 per cent.

Canada did not negotiate directly with Cambodia, but all tariff reductions agreed upon between Cambodia and third countries will be available to Canada. The results of these negotiations will be announced later. With respect to Spain, negotiations have been successfully concluded between Canada and Spain and it is expected that the results of all Spain's negotiations will be made public shortly.

I wish now to table three copies each of the protocols providing for the accession of Israel and Portugal to the general agreement which Canada signed at Geneva on April 6.

Mr. Speaker: Has the minister leave to table these documents?

Some hon. Members: Agreed.

POST OFFICE ACT

AMENDMENTS RESPECTING RATES ON CULTURAL AND OTHER PUBLICATIONS

Hon. W. M. Hamilton (Postmaster General) moved for leave to introduce Bill No. C-88, to amend the Post Office Act.

Some hon. Members: Explain.

Mr. Hamilton (Notre Dame de Grace): This bill is designed to implement certain recommendations contained in the report of the royal commission on publications and, specifically, to eliminate for all publications local delivery rates of postage and to reduce rates on cultural publications and certain other special classes, allowing the first 5,000 copies of such publications to be carried free of charge.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*SURVEY OF INDIAN RESERVES, SASK.

Question No. 424—**Mr. Howard:**

With respect to Mr. Joseph Dreaver and his duties to survey the Indians of Saskatchewan in respect of their reactions and recommendations concerning the findings of the joint committee of the Senate and House of Commons on Indian affairs (a) has he made any report or reports as to his findings; and, if so, what does the report or reports contain (b) is he under any obligation to report by a certain time; and, if so, what are the details surrounding this (c) what procedures and systems does he use in conducting this survey, and who developed them (d) how long will he be employed (e) what travelling expenses have been incurred (f) what are the names of the reserves which he has visited in the course of his survey, and upon what dates did he visit each such reserve (g) has he visited any organizations of Indians; and, if so, upon what dates?

Mrs. Fairclough: The answer to this question is as follows:

(a) Yes. An interim report has been received, the contents of which are privileged.

(b) Further reports will be submitted by Mr. Dreaver from time to time as the survey progresses.

(c) The systems and procedure to be used in the survey are the responsibility of Mr. Dreaver.

(d) One year or until such time as the survey is completed, whichever is the lesser.

(e) Travelling expenses are included in the per diem payment for Mr. Dreaver's services.

(f) Mr. Dreaver has visited the Big River, Sandy Lake, Muskeg Lake, Wahpaton Sioux, Red Pheasant and Sweet Grass Indian reserves. The information as to dates of these visits is not presently available.

(g) Yes. Mr. Dreaver has met with members of the Onion Lake and Meadow Lake bands, a member of the executive of the Queen Victoria treaty association, the executive committee of the federation of Saskatchewan Indians, the president of the independent Indian association, members of the executive of the Battleford, Regina and Prince Albert Indian and Metis societies. Mr. Dreaver has also met with Indian trappers at Prince Albert and Indians from northern Saskatchewan reserves at Buffalo Narrows.

BUTTER OIL—SALES, AMOUNT IN STORAGE, ETC.

Question No. 449—**Mr. Matheson:**

1. How much butter taken into storage has had to be converted into butter oil since March 31, 1958?

2. What volume of butter oil has been sold since March 31, 1958, and for what total price?

3. What volume of butter oil is now held in storage, and what is its approximate value?

4. What is the estimated loss sustained since March 31, 1958, as a result of failure to sell butter in that form and its necessary conversion to butter oil?

Answer by: **Mr. Charlton:**

1. No butter had to be converted to butter oil, but as the weight of butter oil is approximately 80 per cent of the weight of butter, conversion is desirable in order that storage costs be minimized. Since March 31, 1958, 100,215,629 pounds of butter have been converted to butter oil.

2. 1,762,087 pounds of butter oil have been sold for $1,374,427.86.

3. 78,474,292 pounds of butter oil, with an inventory value of $61,209,947.76.

4. The saving in storage costs will compensate for the cost of converting butter to butter oil and therefore there is no loss to date.

*YARMOUTH HOUSING LTD.—CHECK ON TENANTS' QUALIFICATIONS

Question No. 450—**Mr. Fisher:**

1. Is there any agreement between Central Mortgage and Housing Corporation and Yarmouth Housing Limited as to tenants' qualifications in respect to incomes, and as to rentals charged; and, if so, is a check ever made to ascertain whether terms of the agreement are being carried out?

2. When was the last such check, if any, made, and with what result?

Mr. Walker:

1 and 2. The corporation entered into two agreements with Yarmouth Housing Limited in regard to limited dividend projects consisting of 24 and 32 units respectively. Both agreements contain tenant income qualifications and rental rate restrictions.

The projects are inspected annually by the corporation in regard to physical condition and rental administration. The last inspections were made in May 1961 and inspections for the current year are scheduled for June. At the time of the last inspection the company's records reflected that all tenants qualified for occupancy under the agreement with the corporation and income declaration forms were due for renewal in January 1962. It was verified that rental rates approved by the corporation were in effect at the time of the last inspection.

GAP FILLER STATION—CONTRACTS FOR U.S. PRODUCTS

Question No. 455—**Mr. Fisher:**

How many American products, of what kind and to what value, were supplied or whose approval for supply have been approved by the government in the contracts relating to gap filler stations?

Answer by: **Mr. Chambers:**

Under the cost-sharing arrangements with the United States covering the construction of 45 gap fillers to be located in Canada, the construction of bases and the provision of unit equipment is being provided by Canada.

The United States is responsible for and is absorbing the cost of the supply, installation and testing of technical equipment. The radars are of U.S. manufacture but are being installed by Canadian firms. The communications equipment is of Canadian manufacture and is also being installed by Canadian firms.

FEDERAL PAYMENTS TO QUEBEC SINCE 1956-57

Question No. 456—**Mr. Grafftey:**

What amounts have been paid, by fiscal years commencing 1956-57, out of the federal treasury to or for the benefit of the province of Quebec?

Answer by: **Mr. Fleming (Eglinton):**

The attached table shows the amounts including tax abatements which have been contributed out of the federal treasury to or for the benefit of the province of Quebec for fiscal years 1956-57 to 1961-62, together with the estimated contributions for the year 1962-63.

FEDERAL CONTRIBUTIONS TO OR FOR THE BENEFIT OF THE PROVINCE OF QUEBEC AND CERTAIN PROVINCIAL INSTITUTIONS 1956–57 TO 1962–63

(in thousands of dollars)

	1956–57	1957–58	1958–59	1959–60	1960–61	Preliminary 1961–62	Estimates 1962–63	Total
A. Unconditional grants								
1. Statutory subsidies	3,301	3,301	3,301	3,301	3,301	4,023	4,023	24,551
2. Tax abatements (estimated, excludes abatement re university grants)	143,634	124,740	132,590	150,978	152,327	157,158	179,504	1,040,931
3. Tax rentals	—	—	—	—	—	—	—	—
4. Equalization	—	43,060	55,004	68,631	71,111	62,632	76,390	376,828
5. Stabilization	—	—	—	—	—	—	—	—
6. 50 per cent share of federal estate tax	—	—	—	—	—	—	—	—
7. 50 per cent share of income tax on power utilities	1,186	1,675	2,281	1,504	1,221	2,064	2,097	12,028
Sub-total	148,121	172,776	193,176	224,414	227,960	225,877	262,014	1,454,338
B. Conditional grants								
1. Agriculture	350	278	783	901	1,002	1,762	2,215	7,291
2. Health	10,291	8,332	15,940	15,116	14,010	13,900	12,392	89,981
3. Hospital insurance	—	—	—	—	13,937	72,000	85,792	171,729
4. Welfare	11,746	16,069	20,457	28,281	34,596	55,859	54,955	221,963
5. Vocational training, etc	648	5	2	3	43	10,904	12,767	24,372
6. Highways and transportation	445	99	438	447	465	8,400	25,500	35,794
7. Resource development	64	16	109	165	920	3,059	3,554	7,887
8. Civil defence	—	—	—	—	—	591	1,200	1,791
9. Municipal winter works	—	—	—	1,426	1,686	9,934	15,200	28,246
10. Other	—	—	—	—	—	—	—	—
Sub-total	23,544	24,799	37,729	46,339	66,659	176,409	213,575	589,054
C. Payments for the benefit of provincial institutions								
1. University grants (including net value of abatement to Quebec 1960–61 on)	4,628	4,758	7,326	7,499	7,700	7,889	10,656	50,456
2. Grants to municipalities in lieu of taxes on federal property	1,170	2,424	2,769	4,026	4,873	4,955	5,363	25,580
Sub-total	5,798	7,182	10,095	11,525	12,573	12,844	16,019	76,036
TOTAL	177,463	204,757	241,000	282,278	307,192	415,130	491,608	2,119,428

Before we proceed to the next question, Mr. Speaker, may I say I have available similar information concerning the payments made to all the provinces. This information has been requested in other years by hon. members and, were it the wish of the house, I have that information here and it could be put on the record to show the breakdown by provinces and the totals for the country.

Mr. Speaker: Is it agreed that this table be printed in *Hansard* at this stage?

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows:*]

CANADA

Summary of Federal Contributions to the Provinces and Certain Payments to Institutions in the Provinces for the fiscal years 1956–57 to 1962–63

(in thousands of dollars)

	1956–57	1957–58	1958–59	1959–60	1960–61	Preliminary Estimates 1961–62	1962–63	Total
A. Unconditional grants								
1. Statutory subsidies	20,571	20,571	20,571	20,748	20,689	23,530	23,530	150,210
2. Tax abatements (estimated, excludes abatement to Quebec re university grants)	157,281	275,564	275,119	313,778	307,685	312,957	715,939	2,358,323
3. Tax rentals (1)	365,938	213,868	249,039	279,730	288,663	312,562	—	1,709,800
4. Equalization	—	135,978	143,438	182,985	189,655	166,918	178,231	997,205
5. Stabilization	—	3,458	5,676	−2,315	2,327	3,143	—	12,289
6. 50 per cent share of federal estate tax	—	—	—	—	—	—	13,337	13,337
7. 50 per cent share of income tax on power utilities	6,613	7,360	8,682	4,753	4,226	6,397	6,500	44,531
8. Atlantic provinces adjustment grants	—	—	25,000	25,000	25,000	25,000	35,000	135,000
9. Transitional grant (Newfoundland)	2,250	1,400	1,050	700	350	—	—	5,750
10. Newfoundland additional grant	—	—	13,550	7,300	7,650	8,000	8,000	44,500
Sub-total	552,653	658,199	742,125	832,679	846,245	858,507	980,537	5,470,945
B. Conditional grants								
1. Agriculture	938	1,037	1,864	6,729	3,788	5,063	4,169	23,588
2. Health	36,438	34,596	45,909	45,975	47,942	48,900	49,243	309,003
3. Hospital insurance	—	—	54,708	150,593	188,938	283,300	324,208	1,001,747
4. Welfare	38,353	48,149	74,072	90,860	102,790	139,213	150,845	644,282
5. Vocational training, etc.	4,668	4,765	8,057	8,371	8,668	61,024	104,803	200,356
6. Highways and transportation	26,909	50,943	53,669	56,834	54,228	42,244	50,160	334,987
7. Resource development	2,717	4,314	8,741	15,266	17,916	23,965	23,106	96,025
8. Civil defence	814	968	1,025	1,563	2,245	3,688	4,793	15,096
9. Municipal winter works	—	—	249	6,584	8,908	24,656	37,889	78,286
10. Other	137	72	62	62	100	—	—	433
Sub-total	110,974	144,844	248,356	382,837	435,523	632,053	749,216	2,703,803
C. Payments for the benefit of provincial institutions								
1. University grants (including net value of abatement to Quebec)	16,049	16,558	25,524	26,112	26,708	27,249	36,964	175,164
2. Grants to municipalities in lieu of taxes on federal property	9,676	17,535	21,852	22,551	24,600	24,888	27,344	148,446
Sub-total	25,725	34,093	47,376	48,663	51,308	52,137	64,308	323,610
TOTAL	689,352	837,136	1,037,857	1,264,179	1,333,076	1,542,697	1,794,061	8,498,358

(1) The recovery of the overpayments under the 1952 agreement for the fiscal years 1957–58 to 1961–62 has not been deducted from the tax rental payments for these provinces: Newfoundland $102,315 per annum; Prince Edward Island $228,221 per annum; New Brunswick $182,201 per annum; Manitoba $209,938 per annum and Saskatchewan $304,180 per annum.

1. NEWFOUNDLAND—1956-57 to 1962-63
(in thousands of dollars)

	1956-57	1957-58	1958-59	1959-60	1960-61	Preliminary Estimates 1961-62	1962-63	Total
A. Unconditional grants								
1. Statutory subsidies	1,569	1,569	1,569	1,569	1,569	1,656	1,656	11,157
2. Tax abatements	—	—	—	—	—	—	6,227	6,227
3. Tax rentals(1)	13,805	4,449	4,737	5,725	5,069	8,883	—	42,668
4. Equalization	—	11,579	12,155	14,292	15,391	11,194	15,357	79,968
5. Stabilization	—	—	—	—	—	—	—	—
6. 50 per cent share of federal estate tax	—	—	—	—	—	—	281	281
7. 50 per cent share of income tax on power utilities	214	247	286	177	130	149	152	1,355
8. Atlantic provinces adjustment grants	—	—	7,500	7,500	7,500	7,500	10,500	40,500
9. Transitional grant	2,250	1,400	1,050	700	350	—	—	5,750
10. Newfoundland additional grant	—	—	13,550	7,300	7,650	8,000	8,000	44,500
Sub-total	17,838	19,244	40,847	37,263	37,659	37,382	42,173	232,406
B. Conditional grants								
1. Agriculture	130	137	171	149	150	142	143	1,022
2. Health	1,026	1,095	887	1,065	846	1,100	2,262	8,281
3. Hospital insurance	—	—	2,858	4,708	5,095	6,300	7,288	26,249
4. Welfare	3,716	3,456	5,266	5,965	5,148	5,821	6,328	35,700
5. Vocational training, etc	406	385	377	195	236	5,095	5,356	12,050
6. Highways and transportation	1,171	861	4,753	5,359	6,579	1,721	2,050	22,494
7. Resource development	66	56	165	462	935	876	1,135	3,695
8. Civil defence	33	14	25	19	46	45	75	257
9. Municipal winter works	—	—	—	25	39	178	276	518
10. Other	25	—	—	—	—	—	—	25
Sub-total	6,573	6,004	14,502	17,947	19,074	21,278	24,913	110,291
C. Payments for the benefit of provincial institutions								
1. University grants	415	426	657	673	688	672	958	4,489
2. Grants to municipalities in lieu of taxes on federal property	—	33	133	76	147	149	161	699
Sub-total	415	459	790	749	835	821	1,119	5,188
TOTAL	24,826	25,707	56,139	55,959	57,568	59,481	68,205	347,885

(1) The recovery of the overpayment under the 1952 agreement which amounts to some $102,315 per annum for fiscal years 1957-58 to 1961-62 has not been deducted from the tax rental payment for those above years to which the deduction applies.

2. PRINCE EDWARD ISLAND—1956-57 to 1962-63

(in thousands of dollars)

	1956-57	1957-58	1958-59	1959-60	1960-61	Preliminary Estimates 1961-62	1962-63	Total
A. Unconditional grants								
1. Statutory subsidies	657	657	657	657	657	657	657	4,599
2. Tax abatements	—	—	—	—	—	—	1,304	1,304
3. Tax rentals (1)	3,073	769	785	1,544	1,138	1,776	—	9,085
4. Equalization	—	2,955	3,074	3,005	3,454	2,811	3,522	18,821
5. Stabilization	—	412	418	−159	210	193	—	1,074
6. 50 per cent share of federal estate tax	—	—	—	—	—	—	97	97
7. 50 per cent share of income tax on power utilities	36	52	49	36	42	54	55	324
8. Atlantic provinces adjustment grants	—	—	2,500	2,500	2,500	2,500	3,500	13,500
Sub-total	3,766	4,845	7,483	7,583	8,001	7,991	9,135	48,804
B. Conditional grants								
1. Agriculture	38	39	56	67	83	278	169	730
2. Health	300	335	438	421	448	300	364	2,606
3. Hospital insurance	—	—	—	447	1,011	1,400	1,524	4,382
4. Welfare	305	366	475	560	602	726	797	3,831
5. Vocational training, etc	33	62	110	134	25	196	375	935
6. Highways and transportation	434	1,233	535	1,172	551	606	650	5,181
7. Resource development	15	17	21	1,171	1,500	1,044	1,100	4,868
8. Civil defence	—	—	1	6	14	25	30	76
9. Municipal winter works	—	—	—	1	—	16	95	112
10. Other	—	—	—	—	—	—	—	—
Sub-total	1,125	2,052	1,636	3,979	4,234	4,591	5,104	22,721
C. Payments for the benefit of provincial institutions								
1. University grants	99	99	150	153	154	158	210	1,023
2. Grants to municipalities in lieu of taxes on federal property	58	76	89	113	102	103	111	652
Sub-total	157	175	239	266	256	261	321	1,675
TOTAL	5,048	7,072	9,358	11,828	12,491	12,843	14,560	73,200

(1) The recovery of the overpayment under the 1952 agreement which amounts to some $228,221 per annum for fiscal years 1957-58 to 1961-62 has not been deducted from the tax rental payments for those above years to which the deduction applies.

3. NOVA SCOTIA—1956-57 to 1962-63
(in thousands of dollars)

	1956-57	1957-58	1958-59	1959-60	1960-61	Preliminary Estimates 1961-62	1962-63	Total
A. Unconditional grants								
1. Statutory subsidies	2,057	2,057	2,057	2,057	2,057	2,132	2,132	14,549
2. Tax abatements (estimated)	—	—	—	—	—	—	12,799	12,799
3. Tax rentals	22,333	9,032	11,824	11,280	11,224	14,145	—	79,838
4. Equalization	—	17,375	15,575	20,665	21,019	18,172	20,163	112,969
5. Stabilization	—	—	—	—	—	—	—	—
6. 50 per cent share of federal estate tax	—	—	—	—	—	—	1,173	1,173
7. 50 per cent share of income tax on power utilities	238	401	460	233	346	475	482	2,635
8. Atlantic provinces adjustment grants	—	—	7,500	7,500	7,500	7,500	10,500	40,500
Sub-total	24,628	28,865	37,416	41,735	42,146	42,424	47,249	264,463
B. Conditional grants								
1. Agriculture	62	93	127	109	147	159	168	865
2. Health	1,719	1,855	1,921	1,514	2,877	2,600	2,643	15,129
3. Hospital insurance	—	—	1,573	8,163	9,595	11,500	13,364	44,195
4. Welfare	1,573	2,127	2,962	3,422	4,460	4,336	4,842	23,722
5. Vocational training, etc.	420	452	495	471	603	1,618	2,297	6,356
6. Highways and transportation	951	3,532	2,934	3,887	3,979	1,213	2,500	18,996
7. Resource development	64	51	111	2,131	1,177	1,861	1,125	6,520
8. Civil defence	25	39	49	92	150	216	220	791
9. Municipal winter works	—	—	—	338	220	334	285	1,177
10. Other	5	5	5	5	5	—	—	25
Sub-total	4,819	8,154	10,177	20,132	23,213	23,837	27,444	117,776
C. Payments for the benefit of provincial institutions								
1. University grants	695	702	1,065	1,074	1,084	1,114	1,482	7,216
2. Grants to municipalities in lieu of taxes on federal property	1,194	1,892	1,922	2,175	2,135	2,157	2,340	13,815
Sub-total	1,889	2,594	2,987	3,249	3,219	3,271	3,822	21,031
TOTAL	31,336	39,613	50,580	65,116	68,578	69,532	78,515	403,270

4. NEW BRUNSWICK

1956–57 to 1962–63

(in thousands of dollars)

	1956–57	1957–58	1958–59	1959–60	1960–61	Preliminary Estimates 1961–62	1962–63	Total
A. Unconditional grants								
1. Statutory subsidies	1,679	1,679	1,679	1,679	1,679	1,745	1,745	11,885
2. Tax abatements (estimated)	—	—	—	—	—	—	10,031	10,031
3. Tax rentals(1)	17,807	12,609	13,613	9,434	9,333	10,227	—	73,023
4. Equalization	—	8,645	8,651	16,864	17,416	16,006	16,566	84,148
5. Stabilization	—	—	—	—	—	—	—	—
6. 50 per cent share of federal estate tax	—	—	—	—	—	—	856	856
7. 50 per cent share of income tax on power utilities	228	220	202	100	115	93	94	1,052
8. Atlantic provinces adjustment grants	—	—	7,500	7,500	7,500	7,500	10,500	40,500
Sub-total	19,714	23,153	31,645	35,577	36,043	35,571	39,792	221,495
B. Conditional grants								
1. Agriculture	53	51	93	116	113	133	144	703
2. Health	1,926	1,813	1,739	1,360	1,585	1,800	2,411	12,634
3. Hospital insurance	—	—	—	4,575	7,914	9,700	11,110	33,299
4. Welfare	1,848	2,332	2,934	3,103	4,137	4,327	4,900	23,581
5. Vocational training, etc	248	278	359	424	992	1,347	3,008	6,656
6. Highways and transportation	3,982	3,977	11,682	8,252	3,715	2,520	2,500	36,628
7. Resource development	664	1,074	582	1,031	1,480	1,492	1,190	7,513
8. Civil defence	21	34	38	70	93	171	173	600
9. Municipal winter works	—	—	61	311	196	363	551	1,482
10. Other	—	—	—	—	—	—	—	—
Sub-total	8,742	9,559	17,488	19,242	20,225	21,853	25,987	123,096
C. Payments for the benefit of provincial institutions								
1. University grants	555	565	866	885	900	881	1,248	5,900
2. Grants to municipalities in lieu of taxes on federal property	494	781	926	904	1,075	1,086	1,173	6,439
Sub-total	1,049	1,346	1,792	1,789	1,975	1,967	2,421	12,339
TOTAL	29,505	34,058	50,925	56,608	58,243	59,391	68,200	356,930

(1) The recovery of the overpayment under the 1952 agreement which amounts to some $182,201 per annum for fiscal years 1957–58 to 1961–62 has not been deducted from the tax rental payments for those above years to which the deduction applies.

5. QUEBEC—1956-57 to 1962-63

(in thousands of dollars)

	1956-57	1957-58	1958-59	1959-60	1960-61	Preliminary Estimates 1961-62	1962-63	Total
A. Unconditional grants								
1. Statutory subsidies	3,301	3,301	3,301	3,301	3,301	4,023	4,023	24,551
2. Tax abatements (estimated, excludes abatement re university grants)	143,634	124,740	132,590	150,978	152,327	157,158	179,504	1,040,931
3. Tax rentals	—	—	—	—	—	—	—	—
4. Equalization	—	43,060	55,004	68,631	71,111	62,632	76, 90	376,828
5. Stabilization	—	—	—	—	—	—	—	—
6. 50 per cent of federal estate tax	—	—	—	—	—	—	—	—
7. 50 per cent share of income tax on power utilities	1,186	1,675	2,281	1,504	1,221	2,064	2,097	12,028
Sub-total	148,121	172,776	193,176	224,414	227,960	225,877	262,014	1,454,338
B. Conditional grants.								
1. Agriculture	350	278	783	901	1,002	1,762	2,215	7,291
2. Health	10,291	8,332	15,940	15,116	14,010	13,900	12,392	89,981
3. Hospital insurance	—	—	—	—	13,937	72,000	85,792	171,729
4. Welfare	11,746	16,069	20,457	28,281	34,596	55,859	54,955	221,963
5. Vocational training, etc	648	5	2	3	43	10,904	12,767	24,372
6. Highways and transportation	445	99	438	447	465	8,400	25,500	35,794
7. Resource development	64	16	109	165	920	3,059	3,554	7,887
8. Civil defence	—	—	—	—	—	591	1,200	1,791
9. Municipal winter works	—	—	—	1,426	1,686	9,934	15,200	28,246
10. Other	—	—	—	—	—	—	—	—
Sub-total	23,544	24,799	37,729	46,339	66,659	176,409	213,575	589,054
C. Payments for the benefit of provincial institutions								
1. University grants (including net value of abatement to Quebec 1960-61 on)	4,628	4,758	7,326	7,499	7,700	7,889	10,656	50,456
2. Grants to municipalities in lieu of taxes on federal property	1,170	2,424	2,769	4,026	4,873	4,955	5,363	25,580
Sub-total	5,798	7,182	10,095	11,525	12,573	12,844	16,019	76,036
TOTAL	177,463	204,757	241,000	282,278	307,192	415,130	491,608	2,119,428

6. ONTARIO—1956-57 to 1962-63

(in thousands of dollars)

	1956-57	1957-58	1958-59	1959-60	1960-61	Preliminary Estimates 1961-62	1962-63	Total
A. Unconditional grants								
1. Statutory subsidies	3,641	3,641	3,641	3,641	3,641	4,624	4,624	27,453
2. Tax abatements (estimated)	13,647	150,824	142,529	162,800	155,358	155,799	337,205	1,118,162
3. Tax rentals	160,558	74,379	93,322	106,211	113,792	120,652	—	668,914
4. Equalization	—	—	—	—	—	—	—	—
5. Stabilization	—	—	—	—	—	—	—	—
6. 50 per cent share of federal estate tax	—	—	—	—	—	—	—	—
7. 50 per cent share of income tax on power utilities	1,428	1,333	1,590	1,043	578	651	662	7,285
Sub-total	179,274	230,177	241,082	273,695	273,369	281,726	342,491	1,821,814
B. Conditional grants								
1. Agriculture	63	91	91	201	107	143	151	847
2. Health	10,606	9,955	11,782	15,097	15,783	16,200	15,268	94,691
3. Hospital insurance	—	—	13,140	71,893	84,484	104,700	116,944	391,161
4. Welfare	7,134	11,173	20,586	25,444	24,647	28,975	33,288	151,247
5. Vocational training, etc	1,234	703	3,264	3,260	3,476	29,628	55,453	97,018
6. Highways and transportation	5,184	12,927	16,579	19,673	19,747	10,097	5,110	89,317
7. Resource development	850	1,237	2,925	2,241	3,117	4,594	4,581	19,545
8. Civil defence	348	451	449	586	798	1,204	1,500	5,336
9. Municipal winter works	—	—	—	1,996	2,447	5,854	9,272	19,569
10. Other	27	27	27	27	27	—	—	135
Sub-total	25,446	36,564	68,843	140,418	154,633	201,395	241,567	868,866
C. Payments for the benefit of provincial institutions								
1. University grants	5,405	5,622	8,705	8,928	9,134	9,325	12,654	59,773
2. Grants to municipalities in lieu of taxes on federal property	4,762	8,166	9,821	9,771	9,935	10,041	11,281	63,777
Sub-total	10,167	13,788	18,526	18,699	19,069	19,366	23,935	123,550
TOTAL	214,887	280,529	328,451	432,812	447,071	502,487	607,993	2,814,230

7. MANITOBA—1956-57 to 1962-63

(in thousands of dollars)

	1956-57	1957-58	1958-59	1959-60	1960-61	Preliminary Estimates 1961-62	1962-63	Total
A. Unconditional grants								
1. Statutory subsidies	2,032	2,032	2,032	2,065	2,054	2,089	2,089	14,393
2. Tax abatements (estimated)	—	—	—	—	—	—	29,780	29,780
3. Tax rentals(1)	27,889	18,418	20,688	26,471	25,974	28,478	—	147,918
4. Equalization	—	13,932	12,889	12,981	14,104	11,933	13,474	79,313
5. Stabilization	—	—	—	—	—	—	—	—
6. 50 per cent share of federal estate tax	—	—	—	—	—	—	1,886	1,886
7. 50 per cent share of income tax on power utilities	51	61	46	20	27	53	54	312
Sub-total	29,972	34,443	35,655	41,537	42,159	42,553	47,283	273,602
B. Conditional grants								
1. Agriculture	108	156	156	340	531	1,129	661	3,081
2. Health	2,676	2,241	2,419	2,280	2,999	2,700	2,469	17,784
3. Hospital insurance	—	—	7,148	11,324	13,049	15,300	17,291	64,112
4. Welfare	2,213	2,523	3,791	4,601	5,545	6,100	7,298	32,071
5. Vocational training, etc	262	362	329	431	545	1,958	2,771	6,658
6. Highways and transportation	3,124	2,747	1,820	1,725	907	1,027	720	12,070
7. Resource development	78	316	489	1,418	2,011	3,157	2,852	10,321
8. Civil defence	32	33	61	91	124	155	275	771
9. Municipal winter works	—	—	51	383	259	632	950	2,275
10. Other	18	—	—	—	25	—	—	43
Sub-total	8,511	8,378	16,264	22,593	25,995	32,158	35,287	149,186
C. Payments for the benefit of provincial institutions								
1. University grants	850	860	1,305	1,327	1,349	1,395	1,850	8,936
2. Grants to municipalities in lieu of taxes on federal property	788	1,040	1,545	1,259	1,454	1,468	1,587	9,141
Sub-total	1,638	1,900	2,850	2,586	2,803	2,863	3,437	18,077
TOTAL	40,121	44,721	54,769	66,716	70,957	77,574	86,007	440,865

(1) The recovery of the overpayment under the 1952 agreement which amounts to some $209,938 per annum for fiscal years 1957-58 to 1961-62 has not been deducted from the tax rental payments for the above years to which the deduction applies.

8. SASKATCHEWAN—1956-57 to 1962-63

(in thousands of dollars)

	1956-57	1957-58	1958-59	1959-60	1960-61	Preliminary Estimates 1961-62	1962-63	Total
A. Unconditional grants								
1. Statutory subsidies	2,080	2,080	2,080	2,098	2,092	2,116	2,116	14,662
2. Tax abatements (estimated)	—	—	—	—	—	—	20,849	20,849
3. Tax rentals(1)	27,432	13,874	14,399	20,052	16,855	19,348	—	111,960
4. Equalization	—	19,197	19,862	20,180	23,723	21,222	23,430	127,614
5. Stabilization	—	—	—	—	—	—	—	—
6. 50 per cent share of federal estate tax	—	—	—	—	—	—	909	909
7. 50 per cent share of income tax on power utilities	50	66	96	51	58	59	60	440
Sub-total	29,562	35,217	36,437	42,381	42,728	42,745	47,364	276,434
B. Conditional Grants								
1. Agriculture	30	55	186	3,043	355	990	346	5,005
2. Health	2,095	2,275	3,006	2,254	2,489	2,600	3,028	17,747
3. Hospital insurance	—	—	8,430	13,378	14,454	15,900	17,772	69,934
4. Welfare	2,199	2,577	3,913	4,238	4,727	6,487	8,035	32,176
5. Vocational training, etc	340	419	452	1,274	920	1,284	3,808	8,497
6. Highways and transportation	2,919	3,351	366	87	367	93	80	7,263
7. Resource development	49	216	1,116	1,601	2,300	1,465	1,227	7,974
8. Civil defence	49	43	51	71	132	162	170	678
9. Municipal winter works	—	—	33	322	789	1,299	1,995	4,438
10. Other	42	10	10	10	23	—	—	95
Sub-total	7,723	8,946	17,563	26,278	26,556	30,280	36,461	153,807
C. Payments for the benefit of provincial institutions								
1. University grants	881	879	1,332	1,353	1,365	1,397	1,852	9,059
2. Grants to municipalities in lieu of taxes on federal property	284	625	726	747	846	854	923	5,005
Sub-total	1,165	1,504	2,058	2,100	2,211	2,251	2,775	14,064
TOTAL	38,450	45,667	56,058	70,759	71,495	75,276	86,600	444,305

(1) The recovery of the overpayment under the 1952 agreement which amounts to some $304,180 per annum for fiscal years 1957-58 to 1961-62 has not been deducted from the tax rental payments for those above years to which the deduction applies.

9. ALBERTA—1956-57 to 1962-63

(in thousands of dollars)

	1956-57	1957-58	1958-59	1959-60	1960-61	Preliminary Estimates 1961-62	1962-63	Total
A. Unconditional grants								
1. Statutory subsidies	2,274	2,274	2,274	2,400	2,358	2,816	2,816	17,212
2. Tax abatements (estimated)	—	—	—	—	—	—	47,062	47,062
3. Tax rentals	37,311	28,892	38,350	40,261	39,635	43,524	—	227,973
4. Equalization	—	14,744	7,991	15,109	17,511	14,862	9,329	79,546
5. Stabilization	—	—	—	—	—	—	—	—
6. 50 per cent share of federal estate tax	—	—	—	—	—	—	2,247	2,247
7. 50 per cent share of income tax on power utilities	1,767	1,980	2,216	1,239	1,449	1,871	1,901	12,423
Sub-total	41,352	47,890	50,831	59,009	60,953	63,073	63,355	386,463
B. Conditional grants								
1. Agriculture	66	67	69	1,688	1,117	231	74	3,312
2. Health	2,589	2,888	3,527	2,906	2,755	3,700	4,296	22,661
3. Hospital insurance	—	—	8,775	15,699	16,906	21,000	24,009	86,389
4. Welfare	1,648	2,148	4,492	4,802	5,361	7,315	8,910	34,676
5. Vocational training, etc	528	1,380	1,652	870	924	5,890	10,970	22,214
6. Highways and transportation	2,019	5,398	2,229	1,109	268	700	50	11,773
7. Resource development	21	184	476	2,461	2,142	2,543	2,702	10,529
8. Civil defence	119	142	126	278	405	533	550	2,153
9. Municipal winter works	—	—	—	1,069	1,545	2,752	4,230	9,596
10. Other	10	20	10	10	10	—	—	60
Sub-total	7,000	12,227	21,356	30,892	31,433	44,664	55,791	203,363
C. Payments for the benefit of provincial institutions								
1. University grants	1,123	1,160	1,802	1,865	1,925	2,009	2,722	12,606
2. Grants to municipalities in lieu of taxes on federal property	330	1,045	1,676	1,605	1,590	1,607	1,737	9,590
Sub-total	1,453	2,205	3,478	3,470	3,515	3,616	4,459	22,196
TOTAL	49,805	62,322	75,665	93,371	95,901	111,353	123,605	612,022

10. BRITISH COLUMBIA 1956-57 to 1962-63

(in thousands of dollars)

	1956-57	1957-58	1958-59	1959-60	1960-61	Preliminary Estimates 1961-62	1962-63	Total
A. Unconditional grants								
1. Statutory subsidies	1,281	1,281	1,281	1,281	1,281	1,672	1,672	9,749
2. Tax abatements (estimated)	—	—	—	—	—	—	71,178	71,178
3. Tax rentals	55,730	51,446	51,321	58,752	65,643	65,529	—	348,421
4. Equalization	—	4,491	8,237	11,258	5,926	5,902	—	35,814
5. Stabilization	—	3,046	5,258	−2,156	2,117	2,950	—	11,215
6. 50 per cent share of federal estate tax	—	—	—	—	—	—	5,888	5,888
7. 50 per cent share of income tax on power utilities	1,415	1,325	1,456	350	260	928	943	6,677
Sub-total	58,426	61,589	67,553	69,485	75,227	76,981	79,681	488,942
B. Conditional grants								
1. Agriculture	38	70	132	115	183	96	98	732
2. Health	3,210	3,807	4,250	3,962	4,150	4,000	4,110	27,489
3. Hospital insurance	—	—	12,784	20,406	22,493	25,500	29,114	110,297
4. Welfare	5,971	5,378	9,196	10,444	13,567	19,267	21,492	85,315
5. Vocational training, etc	549	719	1,017	1,309	904	3,104	7,998	15,600
6. Highways and transportation	6,680	16,818	12,333	15,123	17,650	15,867	11,000	95,471
7. Resource development	846	1,147	2,747	2,585	2,334	3,874	3,640	17,173
8. Civil defence	187	212	225	350	483	586	600	2,643
9. Municipal winter works	—	—	104	713	1,727	3,294	5,035	10,873
10. Other	10	10	10	10	10	—	—	50
Sub-total	17,491	28,161	42,798	55,017	63,501	75,588	83,087	365,643
C. Payments for the benefit of provincial institutions								
1. University grants	1,398	1,487	2,316	2,355	2,409	2,409	3,332	15,706
2. Grants to municipalities in lieu of taxes on federal property	596	1,453	2,245	1,875	2,443	2,468	2,668	13,748
Sub-total	1,994	2,940	4,561	4,230	4,852	4,877	6,000	29,454
TOTAL	77,911	92,690	114,912	128,732	143,580	157,446	168,768	884,039

MOTIONS FOR PAPERS

SUBMISSIONS ON BILL C-38

Motion No. 50—**Mr. Howard:**

That an order of the house do issue for a copy of all briefs, letters, and submissions presented to the government or any agency or branch thereof since January 22, 1961, dealing with Bill C-38.

Mr. Thomas M. Bell (Parliamentary Secretary to the Minister of Justice): We are prepared to accept this motion with the reservation that documents of a confidential nature, or documents which are ordinarily privileged, will not be expected to be produced. As this bill was introduced in the house only on January 22, 1962, there can be no briefs dealing with Bill C-38 as such prior to that date.

Mr. Howard: I am sorry that did not come to my attention earlier. That "1961" is a typographical error. It should be 1962.

Mr. Speaker: Is it agreed that an amendment be made in the motion so that it will read 1962?

Some hon. Members: Agreed.

Mr. Speaker: Subject to the reservation expressed by the parliamentary secretary is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

BEAUCEVILLE, QUE.—PURCHASE OF PROPERTY

Motion No. 52—**Mr. Racine:**

That an order of the house do issue for a copy of all correspondence, telegrams, options, and contracts concerning the purchase of a lot for the construction of a public building in Beauceville, together with a copy of all contracts or other documents now in the possession of the Department of Public Works relating to this property.

Mr. Roberge: I move this motion on behalf of the hon. member for Beauce (Mr. Racine).

Mr. Speaker: Is it agreed that the hon. member for Megantic may proceed in the absence of the hon. member for Beauce?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Martin (Essex East): Why not?

An hon. Member: You are afraid.

Mr. Pigeon: No, we are not afraid; he is not in the house.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I rise on a question of privilege having to do with this motion as well as questions in the name of the hon. member for Beauce which were raised as a question of privilege in the house some time ago. The points I raise are two in number. First, there are five questions standing in the name of the hon. member, certainly the vast majority of which could have been answered in a very short time.

Mr. Speaker: Order.

Mr. Chevrier: They were not answered—

Some hon. Members: Order.

Mr. Speaker: Order. I think the hon. member for Laurier will agree with me that delay in answering a question, or the absence of an answer, does not raise a question of privilege.

Mr. Hellyer: The government has to keep the old cabbage leaves well covered.

Mr. Chevrier: In view of the serious allegations made by the hon. member, I think it would be appropriate to answer the question.

Some hon. Members: Order.

Mr. Chevrier: However, dealing with the motion, if the minister and the government, who seem to be unmoved by the questions and the motion, are so sure of the facts it seems to me they should accept the motion.

Some hon. Members: Order.

Mr. Speaker: Order. I thought perhaps the hon. member was raising a point of order as to whether the motion could be placed before the house in the absence of the hon. member in whose name it stands. My impression is that without the consent of the house a substitute mover is not acceptable.

Mr. Chevrier: I was coming to that point, Mr. Speaker, and I was going to ask you to invite the house, in view of the question of privilege raised by my hon. friend, to decide that this is one of those cases wherein unanimous consent might well be given.

(Translation):

Mr. Pigeon: If he had any sense of responsibility, he would be in the house.

(Text):

Mr. Ricard: Mr. Speaker, on the question of privilege raised by the hon. member for Laurier, if it was felt to be important that the hon. member for Beauce should clarify this question, I think he should be in the house now.

Some hon. Members: Hear, hear.

Mr. Speaker: Order. I am advised that the practice which the house has followed in the case of motions coming before the house in the absence of the mover is that if the motion is opposed, the mover must be present; if the motion is unopposed, the house has normally

allowed a substitute mover. In those circumstances perhaps the minister concerned could indicate whether the motion is accepted.

Mr. Churchill: The minister asked for it to stand, Mr. Speaker.

Mr. Denis: They have got something to hide.

Mr. Pickersgill: What are you afraid of?

Mr. Chevrier: Let us hear from the minister.

Mr. Speaker: Order. It has been requested that the motion stand, and in the absence of the mover the motion will have to stand. No. 53, Mr. Pickersgill—

Mr. Chevrier: Mr. Speaker, at least the minister could have accepted your invitation to explain the position of the government.

Some hon. Members: Sit down.

Mr. Walker: Mr. Speaker, we have hundreds of questions to answer, and we are doing our best to get around to answering them.

Mr. Hellyer: Hundreds more like this one?

Mr. Walker: You cannot make a silk purse out of a a sow's ear; I am not going any further.

Mr. Pearson: That is perfectly true.

IMMIGRATION—ADMISSION OF WIVES OF CANADIAN CITIZENS

Motion No. 53—**Mr. Pickersgill:**

That an order of the house do issue for a copy of a letter addressed to the Minister of Citizenship and Immigration on March 5, 1962, by Ian G. Wahn of Toronto, regarding the difficulty experienced by two Canadian citizens in having their wives admitted to Canada, together with a copy of any acknowledgment made by the minister.

Motion agreed to.

[*Later:*]

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to direct a question to the Minister of Citizenship and Immigration, in view of the fact that this may be the last day of the session. Can she say whether, in her reply to the letter from Mr. Wahn, about which a motion was accepted by the hon. lady today, she indicated that the wives of these two Canadian citizens were to be admitted to Canada?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): The wives of Canadian citizens who comply with Canadian regulations are always admitted.

Mr. Pickersgill: May I ask the minister whether the wives of these particular Canadian citizens have complied with the regulations?

[Mr. Speaker.]

Mrs. Fairclough: There seems to be some confusion as to identity, and when it is cleared up they will be admitted.

ENGINEERS' COMMITTEE REPORT, ST. LAWRENCE RIVER AND MONTREAL HARBOUR

Motion No. 54—**Mr. Fisher:**

That an order of the house do issue for a copy of the report of the committee of engineers, designated as the St. Lawrence river and Montreal harbour committee 1950.

Mr. Balcer: Mr. Speaker, the document referred to in this motion is a departmental report. Under the long established practice of the house, departmental or interdepartmental documents are considered privileged. In the circumstances I would hope my hon. friend would agree to withdraw his motion.

Mr. Fisher: I would ask to have it transferred pursuant to standing order No. 47, when it will be open for debate.

Mr. Speaker: Pursuant to standing order 47 this motion is transferred to notices of motions (papers).

AGRICULTURE

INQUIRY AS TO VISIT OF WESTERN DELEGATION RESPECTING DROUGHT RELIEF

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Acting Minister of Agriculture whether a delegation representing western agriculture waited on the government yesterday in connection with drought relief. If so, can he report to the house?

Hon. D. S. Harkness (Acting Minister of Agriculture): I have no knowledge of anything along that line.

POWER

COLUMBIA RIVER—REPORTED CALL FROM B.C. PREMIER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Minister of Finance. In view of the report of an interesting telephone call from Premier Bennett of British Columbia to the Minister of Finance on Monday last, is the minister in a position to satisfy the ever-increasing curiosity concerning this most unusual report and will the minister inform the house of the facts?

Hon. Donald M. Fleming (Minister of Finance): I have had various telephone conversations with Premier Bennett over the last two or three weeks. I wonder if the hon. gentleman would particularize the report he has in mind.

Mr. Herridge: It was a report which many of us consider there are good grounds for believing, to the effect that the premier of British Columbia suggested it might be necessary to call an immediate election in certain circumstances.

Mr. Fleming (Eglinton): The premier indicated his wish that parliament should ratify the treaty before dissolution, but he did not indicate to me that he proposed to call a provincial general election in British Columbia if that course were not followed.

(Translation):

DEFENCE PRODUCTION

PROTEST RESPECTING SUBMARINE CONSTRUCTION ABROAD

On the orders of the day:

Mr. J. E. Bissonnette (Quebec West): Mr. Speaker, I should like to direct a question to the Minister of Defence Production.

Would the minister care to comment on a telegram from the Lauzon shipbuilding workers' unions addressed to several members from the Quebec area, to protest against the building of Canadian submarines abroad?

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, on April 17 I received a telegram from the workers' unions of Lauzon, protesting against the construction of a submarine in England.

First, I must say that no contract of the kind was awarded abroad, and if it should ever happen, I can assure the workers of Lauzon that they will be protected by other contracts more beneficial to them, such as the construction of frigates provided for in the new program, as well as the conversion of frigates of the existing fleet, and their share of repairs to our warships, as in the past.

We want to provide work for our defence industry in compensation for contracts we award abroad, and that, always in order to help certain sectors of that industry which are now undergoing some serious difficulties, like our aircraft industries, for instance.

Mr. Maurice Bourget (Levis): Mr. Speaker, a supplementary question. Does the Minister of Defence Production not think that the very idea of asking for tenders—

Some hon. Members: Order.

Mr. Bourget: —in view of buying submarines in England is an insult to our shipyards as well as to our qualified workmen in Lauzon and elsewhere in Canada?

Inquiries of the Ministry

Mr. O'Hurley: Mr. Speaker, before the hon. member for Levis speaks of insults, he should get some information with regard to circumstances connected with this matter.

Mr. Bourget: Mr. Speaker, I have another supplementary question. Is it the policy of this government, in view of helping our Canadian industries at a time when we have many hundred thousand unemployed people, to consider the question of dollars and cents?

Mr. O'Hurley: Mr. Speaker, if the hon. member for Levis wants to discuss the matter of Canadian defence contracts, I am ready to explain what we have done and to point out the premiums we have paid to keep those defence contracts in Canada, but there is a limit to the amount we can pay in order to do so.

Mr. Bourget: Mr. Speaker, another supplementary question. Does the minister—

(Text):

A supplementary question—

Mr. Speaker: The last two supplementaries appeared to me to be more of the order of a debate than a search for information. I recognize the hon. member for St. John's West.

Mr. Bourget: With all due respect, Mr. Speaker, I should like to address myself to the Prime Minister.

Mr. Speaker: Order.

Mr. Bourget: The matter concerns—

Mr. Speaker: Order. I will come to the hon. member in due course. I recognize the hon. member for Lapointe.

(Translation):

INQUIRIES FOR RETURN

On the orders of the day:

Mr. Augustin Brassard (Lapointe): Mr. Speaker, I should like to put a question to the Secretary of State.

On February 26 last I asked the Secretary of State, through the Minister of Transport, to provide me with certain documents concerning the Boisjoli affair. I wonder if I will get an answer before the dissolution of parliament is announced.

Hon. Noel Dorion (Secretary of State): I shall take the hon. member's question as notice and try to answer it as soon as possible.

(Text):

[*Later:*]

Mr. W. H. McMillan (Welland): I should like to direct a question to the Secretary of State, and ask him when I might expect an answer to starred questions Nos. 356 and 357, passed as orders for returns on April 2. These are simple questions directed to the Department of Transport, and certainly would not require the amount of investigation that was required for the questions the Minister of Transport answered today.

Mr. Dorion: I shall make every effort to give an answer as soon as possible.

Mr. John R. Matheson (Leeds): I should like to ask the Secretary of State when he expects to be in a position to answer question No. 406, which was passed as an order for return and which related to conditions prevailing on Halfway House, Blueberry and Prophet river reserves?

Mr. Dorion: I do not know if it will be possible to answer tomorrow, but I will try.

COMMONWEALTH CONFERENCE

INQUIRY AS TO DATE OF MEETING OF PRIME MINISTERS

On the orders of the day:

Mr. F. C. Stinson (York Centre): Mr. Speaker, I should like to put a question to the Prime Minister. However, before doing so I should like to thank him and all other members for the many messages they were kind enough to send to me when I was in the hospital. Has the Prime Minister any comment to make on the story appearing in the press today to the effect that the commonwealth prime ministers' conference is to be held on September 10?

An hon. Member: He will not be there.

Right Hon. J. G. Diefenbaker (Prime Minister): As the house knows, Mr. Speaker, the Prime Minister of the United Kingdom has communicated with the various prime ministers of the countries of the commonwealth, and I would expect that an announcement will be made by him in this regard very soon.

Hon. Paul Hellyer (Trinity): I wish to ask the Prime Minister a supplementary question. If the election had been held on September 12, as the Prime Minister suggested yesterday, would this not have interfered with the holding of the commonwealth conference?

Mr. Diefenbaker: Mr. Speaker, I think the hon. gentleman should be complimented on his kind remarks.

[Mr. Dorion.]

Mr. Speaker: The hon. member knows that we have enough difficulty with questions that are pertinent without dealing with those that are hypothetical.

(Translation):

CANADIAN NATIONAL RAILWAYS

OTTAWA—RENTAL OF HOTEL ROOMS FOR POLITICAL CONVENTION

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Transport, who is accountable to the house for the C.N.R.

Could the minister give some information to the house concerning the rental of several rooms in the Chateau Laurier for a political convention to be held in the fall for the election of a new party leader? Apparently the rooms have been rented recently by the hon. member for Essex East.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I am pleased to inform the house that I would not want to interfere in any way with the campaign of my hon. friend for Essex East.

(Text):

POST OFFICE DEPARTMENT

REQUEST FOR RECLASSIFICATION OF MAGAZINE "NORTHERN NEIGHBOURS"

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I should like to direct a question to the Postmaster General. Is he aware that the publication entitled "Northern Neighbours, Canada's Reliable and Independent Magazine reporting the U.S.S.R.", is presently classified as second class mail, and will he give consideration to reclassifying the magazine so that the Canadian people will not be subsidizing the distribution of such questionable propaganda?

Hon. W. M. Hamilton (Postmaster General): I thank the hon. member for giving me notice of this question. I have some doubt that "Northern Neighbours" is either reliable or independent. I agree with him when he says that it seems to be U.S.S.R. propaganda. However, the Postmaster General does not classify magazines as being eligible for second class rates. The laws of the country establish certain qualifications which, if met, allow any publications to benefit from the second class rates. This publication meets those qualifications. It is therefore entitled to second class rates. I might add that I do not accept the implication in the question that the Postmaster General should assume the responsibility for censorship of that which passes

through the mails. I have trust and confidence in the Canadian people themselves to make their decisions. I do not think we need a censorship branch in the Post Office Department.

SUGGESTED COMMEMORATIVE STAMP OF PRESENT MINISTER

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I direct a question to the Postmaster General.

Some hon. Members: The last question.

Mr. Denis: I should like to know from him if he will recommend to the next Liberal government the issuance of a stamp bearing the minister's picture in commemoration of the most photogenic, expensive and ineffective postmaster general in Canada's history?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I should very much like to accommodate this last request of the hon. member, but there are two obstacles which stand in the way. When I said "last request" I meant "death-bed request". As for the two obstacles, I would point out that the hon. member referred to the wrong party as forming the next government; and second, to be commemorated on a postage stamp one must not be alive. I hope to be both alive and here in this position if the Prime Minister so wishes when this house next convenes.

Mr. Denis: A supplementary question. Out of the millions of dollars given away in the last few days of this parliament and to be paid out of government deficits, would the minister spare a dime for the installation of one of his magic plastic mail boxes for the people of St. Denis, who have not seen one yet?

Mr. Ricard: Who wrote that for you?

Mr. Denis: Not Ricard, anyway.

TRANSPORT

WOOD ISLAND-CARIBOU—INQUIRY AS TO NEW FERRY

On the orders of the day:

Mrs. Margaret Macdonald (Kings): Mr. Speaker, I wish to address a question to the Minister of Transport. Is he in a position to advise the house when a new ferry will be built for the Wood Island-Caribou service?

Hon. Leon Balcer (Minister of Transport): I am very pleased to tell the hon. lady and the house that an agreement has been worked out between Northumberland Ferries Limited and the government for the building of a new ferry by Northumberland Ferries Limited for the Wood Island-Caribou service. I understand that for this contract, which will be eligible for a subsidy of 40 per cent, tenders will be called very soon so that the building of the ship will be undertaken in the very near future.

While I am on my feet and while I am mentioning this 40 per cent subsidy and talking about shipbuilding, I should like to remind the hon. member for Levis that the *Bonaventure* or the aircraft carrier that is the largest ship of our fleet and that was bought by the previous government was built in Belfast.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to put a supplementary question to the Minister of Transport and ask him whether this ferry to which he referred in his answer to the hon. lady today is the same ferry which during consideration of the supplementary estimates he told us was going to be built?

Mr. Balcer: During consideration of the estimates I said that treasury board had approved the decision. Now agreement has been reached between the two parties.

Mr. Pickersgill: Who is wasting the time of the house?

Mr. Heath Macquarrie (Queens): Can the minister tell the house about the size of that ship? Is it of the nature of the *Lord Selkirk* now in service?

Mr. Balcer: This vessel will be of the most modern roll-on/roll-off type and will be able to load and unload the full complement of automobiles in a matter of minutes. The overall length will be approximately 250 feet, with a maximum speed of 14 knots. Capacity will be 60 automobiles and 350 passengers with up to date accommodation for the crew. The ship will also be able to handle the largest size trailer trucks.

Mr. Speaker: The hon. member for Levis has a supplementary question?

Mr. Maurice Bourget (Levis): May I ask the minister what will be the name of the captain, and also his age?

Mr. Balcer: Mr. Speaker—

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should also like to ask the minister a supplementary question.

Mr. Churchill: Let him answer the first one.

Mr. Pickersgill: Can the minister say when this ship will be ready for service?

Mr. Balcer: Mr. Speaker, I will not attempt to answer the first question. When the ship is christened I think the question of my hon.

friend will be answered. However, I think a proper name for that ship would be the *Mrs. Macdonald*, in view of the continuous effort on her part in this connection.

Mr. Pickersgill: I merely wish to repeat my question to the minister. Can the minister say when the ship will be in service?

Mr. Balcer: It will be built in a Canadian shipyard. I am sure it will be done with the greatest speed, so that it will be in service in the near future.

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I have a final supplementary question for the Minister of Transport. Will he use his good offices to ensure that Ferguson Industries Limited at Pictou, Nova Scotia, which lies in close proximity to the Nova Scotia terminal of this ferry route, is given every opportunity to tender on this ship?

Mr. Balcer: I am pleased to tell the hon. member that Ferguson Industries will be asked to tender on that ship.

ANNOUNCEMENT OF OPENING OF LAKEHEAD TERMINAL

On the orders of the day:

Hon. D. J. Walker (Minister of Public Works): If I might be permitted to reply to the hon. member for Port Arthur I should like to assure him and members of the house that the harbour terminal at the lakehead will be definitely opened with an appropriate ceremony befitting an occasion of that kind, undertaken jointly by the Department of Public Works and the Department of Transport.

The opening of this terminal is of more than local importance, as it will include accommodation for deep sea shipping. The deepening of the interconnecting channels to open the upper lakes to deep sea traffic is now being carried out by the United States. Thus the new facilities, which will be among the most modern in the world, will soon become the western terminus of the St. Lawrence seaway. This is, of course, of significance to western Canada as well as to northwestern Ontario. All members of the house will be pleased, I know, that our Prime Minister has consented to officiate at the opening ceremony which will take place on June 23 next.

Hon. Paul Martin (Essex East): May I ask a supplementary question. Can the Minister of Public Works tell the house, in view of the fact the Prime Minister is going to be there, when he consulted the Leader of the Opposition about this?

[Mr. Balcer.]

Mr. Walker: Which one of the four, Mr. Speaker? There are four horsemen of the apocalypse, and I do not know which one.

ST. LAWRENCE SEAWAY—DISLOCATION OF SHIPPING THROUGH CLOSING OF EISENHOWER LOCK

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to direct a question to the Minister of Transport, and if I could comment on the previous answer I will say that we would welcome a visit sooner. I should like to ask the Minister of Transport whether he can give us an appreciation of the dislocation, particularly in the grain trade, that has been caused by the closing of the Eisenhower lock. My question is occasioned by scare reports in the press that it is going to dislocate the shipping of grain for this season.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, of course we are very anxious to see shipping in the seaway resumed as soon as possible. I have inquired through my officials, and I am informed that the officials of the St. Lawrence seaway authority are keeping in close touch with the United States authorities, and barring unforeseen developments it now seems fairly certain the lock will be in service by April 24 at the latest.

Hon. Lionel Chevrier (Laurier): May I ask a supplementary question. Does the Minister of Transport not think, in view of the circumstances, he should send his colleague the Minister of Public Works to make an investigation of that lock to ascertain whether the funds were properly spent?

Mr. Balcer: If it were a Canadian lock I think we could not find any better man than the Minister of Public Works. He has been busy for the last four years repairing all kinds of damages that were caused by our predecessors.

Mr. Chevrier: He was going to make a seaway investigation, and we are still waiting for it.

NATIONAL REVENUE

REQUEST FOR LIST OF BOOKS FORBIDDEN ENTRY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, now that everybody has milked the ferry to the limit I should like to ask the Minister of National Revenue possibly one of the last questions I will ever ask him. Can the minister inform the house when he is going to table the list of naughty books forbidden entry to Canada under his instructions?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I am sorry that the hon. member feels the finger of approaching fate resting so heavily on his shoulders, but we will remember his way of asking questions when he is not here in the house in the years after the election. So far as the answer to the question is concerned, there have been few books banned by the present minister. They are largely books banned by my predecessor in office. The list is very long. I am told by my departmental officials that we have gone through 1955, 1956 and half of 1957, but having got to 1957 the list will be very short from then on and I hope it will be available when parliament reassembles.

DOMINION-PROVINCIAL RELATIONS

ATLANTIC PROVINCES—FEASIBILITY STUDIES OF PUBLIC PROJECTS

On the orders of the day:

Mr. R. C. Coates (Cumberland): Mr. Speaker, I have a question for the Prime Minister. In view of the recent article in the *Atlantic Advocate* referring to the possibility of a development fund for the Atlantic provinces and in view of the recommendation, among other things, of feasibility studies of public projects in the Atlantic provinces, does the Prime Minister have any comment to make?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. gentleman gave me notice of his question. The government is now studying this matter and is giving consideration to the establishment of a federal Atlantic development board which would be empowered to examine projects recommended by provincial governments or other parties, and to give assistance and recommend appropriate plans to the government.

CIVIL DEFENCE

INQUIRY AS TO RECRUITING PROGRAM FOR SURVIVAL COURSE

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has the minister's attention been drawn to the report that the army has only been able to recruit approximately 15,000 of the 25,000 people required for the fourth civil survival course? If so, can he advise the house what the reasons are for this failure to attract the required number of men?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the number of people who had enlisted for the fourth and last of the survival courses was some 16,000 odd at the close of business on Monday, I believe. What the number will be when recruitment for this course ends tomorrow, which I believe is the last day, I do not know. I think I indicated some time earlier it was always anticipated that there might be some difficulty in securing 25,000, the objective of each course, as far as the fourth course is concerned.

COAL

MARITIME PROVINCES—FURTHER UTILIZATION BY LOCAL INDUSTRIES

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Prime Minister. Now that the Prime Minister has been allowed a number of days to give some thought to the matter, can he advise the house if he is prepared to table the brief presented to him on March 7 by the premiers of Nova Scotia and New Brunswick on the expansion of resource development in the Atlantic region through the utilization of maritime coal?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not think I have anything to add to what has already been said in that connection.

Mr. Robichaud: A supplementary question. Can the Prime Minister assure the house that the brief has been brought to the attention of the Minister of Mines and Technical Surveys and the members of the dominion coal board?

Mr. Diefenbaker: Mr. Speaker, the answer to the last question will apply to this one too.

Mr. Robichaud: No answer.

[*Later:*]

Mr. Robichaud: Before the Minister of Mines and Technical Surveys leaves the chamber, may I direct a question to him. Can the minister advise the house if a brief sent to the Prime Minister and presented on March 7 by the premiers of Nova Scotia and New Brunswick has been brought to his attention, and if so on what date?

Hon. Jacques Flynn (Minister of Mines and Technical Surveys): Yes, Mr. Speaker.

Mr. Robichaud: On what date?

Mr. Flynn: This is statistical information, and if the hon. member wants to put a question on the order paper he will receive an answer.

Inquiries of the Ministry

PUBLIC SERVICE

PATRONAGE—STATEMENT ON GOVERNMENT POSITION

On the orders of the day:

Hon. Noel Dorion (Secretary of State): Mr. Speaker, yesterday the hon. member for Port Arthur, referring to a newspaper article about patronage in appointments which, in part, quoted certain views of the chairman of the Civil Service Commission of Canada, inquired whether the federal government has revised its views along what he called the same line.

It is quite clear that Mr. Hughes was expressing a personal comment respecting an area of employment over which the federal government has no control, that is appointments to provincial positions which are outside the jurisdiction of the provincial civil service commissions.

In reply to the hon. member's question I would say that the government's views with respect to the federal civil service have been expressed from time to time, notably in the Civil Service Act passed by parliament within the past 12 months, in what was said in the debates on that bill, and in the regulations made under that act two or three weeks ago. These views have not been revised along any such line as the hon. member's question implies.

PUBLIC BUILDINGS

BEAUCEVILLE, QUE.—RECOVERY OF ALLEGED OVERPAYMENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Minister of Public Works. What steps is he taking to recover the $8,000 which was overpaid to a supporter of the Union Nationale in connection with the Beauceville post office as alleged by the member for Beauce?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, seeing that this is the swan song of the hon. member for Laurier, the pseudo leader from Quebec, who has never been anything else, may I say to him that in the fall we will welcome his enthusiastic co-operation in the public accounts committee to fully investigate this alleged matter, if he is re-elected; and if he is not we might employ him as special counsel to help him out.

Mr. Chevrier: I asked the minister a question and he made a speech. I put this question to the minister, since he has refused to answer my first question. Why did the minister not carry out his undertaking to submit the allegations of the hon. member for Beauce to the public accounts committee promptly? Having suggested this, he then refused to let the matter go to the public accounts committee.

Mr. Speaker: Order. It seems to me this is reviving a matter we dealt with the other day.

Mr. Chevrier: A supplementary question, Mr. Speaker. Will the minister not answer my question as to what steps he as Minister of Public Works is taking to recover that amount?

Mr. Walker: Mr. Speaker, for many, many months I have wanted to ask the hon. member—

Mr. Chevrier: Answer the question.

Mr. Walker: —why the Welland canal, which he predicted would cost $1.3 million, cost $27 million.

Mr. Speaker: Order.

Mr. Walker: To deal with the question of the Beauceville post office—

Mr. Speaker: Order.

Mr. Chevrier: On a question of privilege, Mr. Speaker, the minister asked me a question and I think he is entitled to a reply.

Mr. Speaker: Order. Questions are in the reverse direction at this stage of the day. If the hon. member has been misquoted or if there is a matter of explanation that arises out of the comment of the minister I will give him the floor—

Mr. Chevrier: It does.

Mr. Speaker: —but not to continue a debate.

Mr. Chevrier: No, but the hon. member wants to know why the Welland canal cost $27 million. The government ought to be able to give the answer, because they supported it and the Minister of Finance approved that expenditure.

Mr. Speaker: Order. The hon. member will appreciate that this is not the time to debate the construction of the Welland canal, or the cost of construction.

Mr. Chevrier: I agree, Mr. Speaker; your ruling is quite correct.

Some hon. Members: Sit down, then.

Mr. Chevrier: But the statement I wanted to make was that the original Welland canal which was estimated to cost $50 million actually cost $132 million when a former Tory government was in office.

Mr. Speaker: Order. If the hon. member accepts my ruling, I would be glad if he would abide by it.

TELEVISION

MAGDALEN ISLANDS—STATEMENT ON REQUEST FOR EXTENSION OF FRENCH NETWORK

On the orders of the day:

Hon. George C. Nowlan (Minister of National Revenue): On Monday, the hon. member for Iles-de-la-Madeleine asked me a question with regard to the prospects for the installation of television service in these islands, and the hon. member for Inverness-Richmond also raised the question with me at the same time. I have an answer here, Mr. Speaker, which is rather long for orders of the day, and rather technical. With the permission of the house I suggest it might be better if it were printed in *Hansard*.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The text of the answer is as follows:*]

The corporation has given a great deal of attention to possible methods of extending C.B.C. French language television service to the Magdalen islands. Four possible plans have been studied:

(1) Video tape recordings.

(2) Kine recordings.

(3) A series of rebroadcasting stations in Prince Edward Island, Cape Breton island and the Magdalen islands relaying live network service from our present Moncton station.

(4) Extension of the French network from Moncton to Cape Breton where a network relay station would serve a rebroadcast station in the Magdalens.

The first two plans were abandoned because of the high costs involved particularly for a non-live service. Plans 3 and 4 have the advantage of providing live service to the French language population of P.E.I. and Cape Breton, as well as the Magdalen islands. While both these plans are more expensive in dollar terms than either video tape or kine recordings, the fact that they would serve more than twice as many people makes their estimated cost per capita the same or lower.

Plan 3 (the system of rebroadcasting stations) would involve a relatively high capital cost and would affect limited potential for future extensions of service. While plan 4 (extension of the network) would involve a lower capital cost than plan 3, operating costs would be substantially higher resulting in a somewhat higher per capita cost. However, this plan would lend itself more readily to extension of t.v. service into adjacent areas should the need arise in the future. In addition, plan 4 is considered to be more satisfactory from a technical point of view.

At the moment, the corporation is assembling further data and refining its estimates, particularly with respect to the costs of extending network service. When this process is completed, probably within the next few months, the corporation will be able to decide which of the two plans under study should be acted on.

DIVORCE

INQUIRY AS TO ESTABLISHMENT OF ROYAL COMMISSION

On the orders of the day:

Mr. Arnold Peters (Timiskaming): I should like to ask the Prime Minister if he has given any consideration to the establishment of a royal commission to undertake a study of parliamentary procedure with regard to divorce.

Right Hon. J. G. Diefenbaker (Prime Minister): That is a matter, of course, for parliament to decide.

FINANCE

INCLUSION IN BUDGET OF DEPOSIT LOST BY CANDIDATE

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to direct a question to the Minister of Finance. Would the minister say if he has included in his budget the $200 deposit that the member for Joliette-L'Assomption-Montcalm is going to lose in the coming election?

Mr. Speaker: Order. Hon. members have been taking a fair amount of latitude today, and perhaps now we can get to orders of the day.

(Translation):

PUBLIC SERVICE

STE. ANNE DES MONTS, QUE.—POLITICAL ACTIVITIES OF POSTMASTER

On the orders of the day:

Mr. Roland English (Gaspe): I should like to address a question to the Postmaster General.

Was he made aware of the fact that a civil servant, that is a postmaster at St. Anne des Monts, tendered his resignation in order to run as a Liberal condidate at the next election?

Hon. W. M. Hamilton (Postmaster General): Yes, Mr. Speaker, that would be—

(Text):

Mr. Speaker: Order. I think the question hardly warrants the time of the house.

Mr. Hamilton (Notre Dame de Grace): I thought the vacancy might be of interest to the hon. member for St. Denis.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

TORONTO—SECURITY FENCE TO PROTECT MARSHALLING YARDS

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of Transport. Does the government intend to insist that the Canadian National Railways fulfil the promise allegedly made by its president, Mr. Donald Gordon, that there would be no level crossings and that a security fence would be erected in built-up areas adjacent to the access line to the new marshalling yards in Vaughan township north of Toronto?

Hon. Leon Balcer (Minister of Transport): I am quite sure that any undertakings given by Mr. Gordon in this connection will be carried out.

(Translation):

TRANSPORT

SOULANGES CANAL—INQUIRY AS TO TRANSFER TO QUEBEC

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I should like to direct a question to the Minister of Transport.

To questions asked yesterday and the day before by the hon. member for Vaudreuil-Soulanges (Mr. Bourbonnais), the minister replied that the province of Quebec had not yet given an answer to the offer made by the federal government concerning the Soulanges canal.

Here is my question. Should no reply to this offer be received from the province of Quebec within a reasonable time, would the Minister of Transport consider an offer from the Sulphur Converting Corporation?

(Text):

Mr. Speaker: Order. I think the hon. member's question is a little too hypothetical to be urgent.

HOUSE OF COMMONS

SESSIONAL EMPLOYEES—CONSIDERATION OF GOOD FRIDAY AS HOLIDAY

On the orders of the day:

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I wish to ask the house leader, and through him Your Honour, whether consideration can be given to the establishment of Good Friday as a holiday with pay for those sessional employees who are now on the staff of the House of Commons and who have not had any holiday this session. Could Good Friday be classed as a holiday for them, as it is for other civil servants?

[Mr. Hamilton (Notre Dame de Grace).]

Mr. Speaker: The hon. member might take the matter up with the Speaker at an early opportunity.

DEFENCE PRODUCTION

PITTSBURGH TOWNSHIP—DECLARATION OF LAND AS SURPLUS

On the orders of the day:

Hon. Paul Hellyer (Trinity): I wish to direct a question to the Minister of Defence Production. Has any part of lots 15, 16 or 17, concession 1, in the township of Pittsburgh, west of the Great Cataraqui river, been declared surplus by the federal government during the twenty-fourth parliament? If so, has it been disposed of, to whom has it been sold, and what were the details of the sale and the price?

Hon. Raymond O'Hurley (Minister of Defence Production): The hon. member gave me notice of this question, and during the short period of time I had at my disposal today to make inquiries of the crown disposal corporation I have not discovered any record of any such request having been made in this regard.

Mr. Hellyer: Would the minister inquire further and, should he have any information, give it to me privately?

Mr. O'Hurley: I shall make further inquiries.

WAYS AND MEANS

The house in committee of ways and means, Mr. Martineau in the chair.

The Chairman: The committee has before it for consideration the following resolution:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1962, the sum of $138,416,981, be granted out of the consolidated revenue fund of Canada.

Shall the resolution carry?

Mr. Regier: I want to thank the other members of the New Democratic party who have again asked me to be their spokesman on this particular occasion. There is some honour, loyalty and appreciation of each other in our group, and I wish to say that I am proud of each of the seven other members in our group.

It used to be said that there was honour even among thieves, but I am dismayed to note that the Liberal party cannot even be classed in that category. I have noted with dismay the absence of the hon. member for Kenora-Rainy River in recent days. He has been re-elected to this house on many occasions as a Liberal-Labour member and has

always been regarded as the financial spokesman or financial critic of his party. His responsibility has been to watch daily the financial affairs of our country, and especially the financial activities of our government. Yet in the interests of political expediency he was most unceremoniously and mercilessly dumped by his political party. By contrast, I am very happy that neither my national leader nor my house leader are so anxious for publicity that they would thus violate the ordinary rules of honour and decency, and I am also very proud at this moment that I do not belong to the Liberal party.

In this resolution we are being asked to vote money to the government of the day, but history has a way of taking many turns. The very origins of parliament were to provide a voice for the taxpayers in determining how the money necessary for the maintenance of law and order should be collected, but look how this has worked out. Under our rules we have now established an allocation of six days in which to debate the budget. We agree we ought to spend no more than six days debating how the money is to be collected; yet all of us know, and many of us regret, that we spend six, seven and eight months of the year discussing mere details of governmental expenditures. Readjustment of that situation is badly needed. We all know that a government requires at least minimum funds in order to sustain our society; yet under the existing situation we allocate only six days to a debate on how the money is to be collected and, as I have just said, we spend six to eight months of the year niggling about details of particular expenditures.

Looking at the financial policy of the government, I am afraid I must come to the conclusion that the government has no policy. Its financial policy is neither fish nor fowl. It is neither hot nor cold; it is lukewarm. It is something to be spewn out of the mouth as distasteful, and I expect the electorate of Canada will agree with me in that regard on June 18.

I was very disappointed with the attitude taken by the official Leader of the Opposition during his television appearance on budget night. The leader of the Liberal party in his television appearance on budget night really found nothing to complain about in the budget as it had been presented, except that it had arrived many years too late. I believe that the Canadian people will by now have noted that the leader of the official opposition has yet to present a real alternative to the financial policies of this government. Perhaps I am saying too much when I call them financial policies, because in my opinion the actions of the government in the field of finance are very contradictory and I believe they can best be described in the quotation "John versus Don".

Last fall we read some rather interesting newspaper speculation to the effect that John was about ready to fire Don and move him into some other field of responsibility. However, I understand that St. James street and Bay street made adequate representations and Don managed to retain his present office. I was pleased—

Mr. Fleming (Eglinton): Do you believe all that bunk?

Mr. Regier: I was pleased to read the end result, Mr. Chairman, because despite the fact that I disagree with the basic Tory and reactionary policies of our Minister of Finance, I would hate to think of the condition our country would be in today if the irresponsible economic and financial attitudes of our present Prime Minister had been able to prevail within the councils of the government. I would rather live with the financial policies, even though I hope it would not be for too many years, of Bay street and St. James street as represented by the present Minister of Finance than live in a country dominated by the lack of knowledge and the financial and economic irresponsibility of a Prime Minister who seems quite prepared to increase a deficit to the tune of $100 million in the interests of four constituencies and in the interests of only 100,000 people; who is quite prepared to be irresponsible and spend $15 million, which is only a preliminary expenditure, on behalf of two constituencies; who is quite prepared to be irresponsible and advocate the abolition of tolls on a couple of bridges in order to bribe a few more constituencies back into the Tory camp. In the face of irresponsibility of that type I would prefer the traditional Tory financial atmosphere even though I hope I would not have to live with it for many years.

Our government is responsible for the economic welfare of the Canadian community. The United States of America is always regarded as the heart of so-called free enterprise, the heart of capitalism. I would like to think that the government of Canada would be at least as bold as the President of the United States in that he was recently so amazingly successful and was able to call to task the steel corporations of his country. Over there a steel corporation, Mr. Chairman, is spelt s-t-e-e-l. I am afraid that in Canada we have far too many s-t-e-a-l corporations and this government, like the one before it, seems quite prepared to allow a policy of s-t-e-a-l to continue *ad nauseam*.

In this regard I would like to quote from a report issued by the B.C. federation of labour entitled "Conspiracy against the consumer: The difference between right and wrong!" This is a report on the investigation by Senator Estes Kefauver, chairman of the United States senate subcommittee investigating price rigging in the steel and drug industries:

> The following tables showing profits in the steel industry in recent years is very revealing.
>
> Net income (after taxes) per ton of steel products shipped; 1952, $6.80; 1953, $8.85; 1954, $9.15; 1955, $14.51; 1956, $14.56; 1957, $17.91.

At least the United States now has a president who was able to call a halt to this continuing exploitation of both labour and consumer. Our government has yet to arrive at that concept and do at least as well. All of us remember reading in the newspapers some months ago that leading industrialists across the line were put into jail. I wish to remind you, Mr. Chairman, that our Prime Minister when in the opposition ranks used to call for amendments to our Combines Investigation Act which would demand that officials of companies who were found guilty of violating the spirit of the Combines Investigation Act should be sentenced to a jail term, which should be mandatory and not optional.

All of us were happy to read last fall that officials of the General Electric Company and others were put into prison in the United States of America because they had been found guilty of price fixing. Yet what do we find in Canada? I read again from the publication put out by the B.C. federation of labour, page 7:

> In recent years over 150 companies in Canada have been fined under the combines act for engaging in price fixing.
>
> A few of the major examples of price fixing in the last ten years include the following:
>
> 1951—Canadian Bakeries, McGavin's, Weston's, and their subsidiaries found guilty of price fixing on a grand scale.
>
> 1951—Eddy match company and five lesser firms found guilty of price fixing and restraint of trade.
>
> 1953—Northern Electric, Canadian General Electric, and seven other firms found to be price fixing.
>
> 1954—10 companies in Vancouver convicted of a conspiracy to prevent competition in the supply of coarse paper.
>
> 1954—30 gasoline retailers in Vancouver convicted of price fixing (later appeal allowed on a technicality)
>
> 1959—12 supermarket chains in the United States, including such giants as Safeway stores, indicted by a federal grand jury for price fixing.
>
> 1960—19 of North America's largest electrical equipment manufacturers pleaded guilty to price fixing and bid rigging, involving annual sales of $2 billion a year. All told there were 72 guilty pleas, and 88 pleas of no defence.

I should like to think that even a Tory government in Canada would have as much interest in the welfare of the consumers of

Canada and in the economic health of our community as the democratic party of the United States under the leadership of President Kennedy, and that it would be as brave as his administration has recently proved itself to be.

The budget presented to this house is a poor housekeeping budget. The minister is predicting a 7 per cent increase in the gross national product. Assuming the minister to be right in this prediction, how, then, does he forecast a deficit of $800 million? These two factors simply do not add up. If we are going to get a 7 per cent increase in the gross national product there ought to be no possible excuse for a deficit, yet the minister announces that he expects a deficit of a size almost unprecedented in Canadian history.

The minister calls this an expansionist budget but he offers no evidence to support this contention. He has been found so wrong on so many occasions in the past that in the absence of any evidence that this is an expansionist budget I am afraid we have to ascribe this label as mere wishful thinking on the part of the minister.

There is no hope expressed in the budget that continuing heavy unemployment will not remain with us for many years to come. Our unemployment insurance fund has been almost exhausted. I should like to remind you, Mr. Chairman, that some years ago I predicted in this house that in the event of a severe economic recession hitting the Canadian economy this fund, which then stood at $900 million, would begin to disappear and would completely disappear within a short time. At that time the house hooted and howled me down. My statement was labeled as nonsensical and irresponsible, yet the government today has to admit that the unemployment insurance fund is not geared, and never was geared, to handle a situation in which the economy is on the decline.

The investment record, or investment intentions, give the lie to the prediction of the minister that there is to be a 7 per cent increase in the gross national product. I should like to read from a publication issued by the Department of Trade and Commerce and entitled Private and Public Investment Outlook in Canada, 1962. I notice that in terms of current dollars, in 1957 private and public investment in Canada totalled $8,717,000 while the expectation for 1962 amounts to only $8,596,000, in other words, a decline. Capital expenditure as a percentage of the gross national product which, for 1957, is listed as 27.3, appears as 23.3 for 1960. There is nothing in the investment predictions contained in this report to indicate that the minister has any reason for predicting a 7 per cent increase in the gross national

product. I notice on page 11 of the same report, incidentally, the statement that institutional services are expected to increase their investment amounts to $220 million and that government departments are expected to increase theirs by $159 million for a total of $379 million. This clearly indicates a decrease in the private sector of our economy as compared with 1960 of $45 million. Thus, upon the facts, the minister cannot substantiate his prediction about growth. I noticed a report in the *Globe and Mail* out of the Ottawa bureau dated March 27. It stated:

> D.B.S. reported that Canadian industrial production dropped back in January after climbing for 10 months, the fall being even more severe than in the United States.

It went on:

> Today D.B.S. reported that the seasonally adjusted industrial production index in Canada dropped by two points, declining 1.2 per cent to 178.6 from 180.7 in December.
>
> The bureau said mining production dropped by 1 per cent and manufacturing by 1.7 per cent, while output of electric power and gas utilities rose by 3 per cent.
>
> Two thirds of the decline of the manufacturing index was in the durable goods field, which has been one of the driving forces behind the economic recovery so far.

I have another complaint against the minister and his administration in that I feel he is continuing to be guilty of mismanagement of the public debt. Our public debt is predicted to increase by some $800 million in this year. His past position has been remedied only by his manipulations of our foreign exchange reserves and by a kind of phony retirement fund or public debt retirement fund that he established at the time of his last budget. We have heard the Minister of Finance present his budget speech to this House of Commons. However, only a few days later our Prime Minister rises in his place and announces an additional expenditure of over $100 million which were not reported in the budget. I can assure the Prime Minister that I am confident that even the people in the Atlantic provinces could think of many more useful ways of spending over $100 million than on this proposition which I have been told is not going to even begin to cover the cost of engineering surveys.

Mr. Diefenbaker: Who told the hon. gentleman that?

Mr. Regier: The Prime Minister might be shocked if I revealed this information to him. However, I am not one to reveal confidences. The needs of the Atlantic provinces are great. However, I am convinced that the government has no intention of carrying out its announced project of building the causeway connecting Prince Edward Island to the rest of Canada as $100 million bears no relationship to any realistic assessment of what the actual cost would be. It is very nice to announce this project only nine weeks before an election date. However, I know that the people of the Atlantic provinces have taken a keen interest in education in the past century and more, and that they are not going to be so stupid as to be bribed by this particular announcement. I know they will take it for what it is worth. I am not saying that the causeway should not be built. However, we have yet to hear or to have reported to us an analysis of the situation. Who knows what else may be promised the people of Canada within the next eight weeks? With the lack of confidence I have in our Prime Minister's sense of economics and of finance I am quite prepared to believe that he may indeed be willing to offer a $10 million bribe to each of the 265 ridings in Canada.

The Chairman: I am sorry to interrupt the hon. gentleman but I must inform him that his time has expired.

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill No. C-89 for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1962.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the said bill be read a second time?

Some hon. Members: Now.

Mr. Deputy Speaker: By leave, now.

Mr. Fleming (Eglinton) moved the second reading of the bill.

Mr. H. W. Herridge (Kootenay West): I just wish to ask the Minister of Finance one question. Is this bill drawn in the usual and accepted form?

Mr. Fleming (Eglinton): Yes, sir.

Mr. Hellyer: And all rights reserved for free discussion in due course?

Mr. Fleming (Eglinton): This is not interim supply.

Mr. Pallett: Keep that question until later.

Mr. Hellyer: I am sorry; I will save it.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

Interim Supply

INTERIM SUPPLY

Mr. Fleming (Eglinton) moved:

Resolved, that a sum not exceeding $1,704,710,347.93, being the aggregate of—

(a) five twelfths of the total of the amounts of the items set forth in the main estimates for the fiscal year ending March 31st, 1963, laid before the House of Commons at the present session of parliament, $1,666,406,647.92;

(b) an additional one third of the amounts of external affairs items 40, 45, 80, 85, 90, 95, 100, 105, 107, 110, 120, 140 and 145, finance items 50 and 70, forestry item 11, legislation items 30 and 35, mines and technical surveys item 20, national defence item 70, national film board item 5, privy council item 40, public works item 200 and transport items 65 and 170, of the said estimates, $5,451,575.00;

(c) an additional one quarter of the amounts of forestry items 5 and 20, northern affairs and national resources item 10, loans, investments and advances items 120 and 125 of the said estimates, $3,199,700.00;

(d) an additional one sixth of the amounts of citizenship and immigration item 90, fisheries items 30 and 45, legislation item 25, mines and technical surveys items 30, 35, 80 and 130, northern affairs and national resources items 50 and 120, privy council item 30, transport items 60, 80, 85 and 125 of the said estimates, $4,550,983.34;

(e) an additional one twelfth of the amounts of external affairs item 35, fisheries items 25, 85 and 90, forestry items 15 and 25, labour items 5 and 40, mines and technical surveys items 40, 50, 70 and 100, national defence item 45, national film board item 1, national health and welfare item 25, national research council item 1, national revenue item 5, northern affairs and national resources items 15, 20, 25, 45, 70, 75, 100, 108 and 118, public works item 190, trade and commerce item 26, transport items 30, 35, 40 120 and 222, veterans affairs item 60 of the said estimates, $25,101,441.67;

be granted to Her Majesty on account of the fiscal year ending March 31st, 1963.

He said: Mr. Chairman, I think perhaps the committee would be prepared to give consent to dispense with your reading of this resolution. Copies have been furnished to hon. members opposite and the details have been supplied to hon. members in the form in which they now appear before you. There are a great number of items and amounts here.

Mr. Martin (Essex East): A terrific sum, too.

The Chairman: Is it agreed that I dispense with reading the said document?

Some hon. Members: Agreed.

Mr. Fleming (Eglinton): Mr. Chairman, the resolution asks for a vote of five months interim supply. Several weeks ago the house voted two months interim supply for the fiscal year which commenced on April 1, 1962. The addition of today's resolution will bring the total to seven months.

In this respect we are following the same course as was followed by our predecessors in 1949 and in 1957. In both of those years there was a dissolution of parliament in the month of April and an election in the month of June, so that there are those two clear and recent precedents for the number of months for which supply is asked here.

In addition to an additional five twelfths of all items there are, of course, additional proportions, as is usual, with respect to certain items. These items relate to programs that do not lend themselves to a *pro rata* provision of supply month by month. For instance, there are numerous grants to international organizations where fixed sums have to be paid without regard to a month by month accrual. In addition, there are numerous programs of work involved in various departments which are concentrated in certain seasons of the year and, of course, the bulk of the concentrations are in the summer months. Therefore with respect to a number of items additional amounts are required.

But I do emphasize for the assurance of all hon. members that in no case do we ask for the full amount of any item. There will still be a proportion to be voted by parliament when parliament resumes in the autumn and accordingly the house can be assured of retaining its right of discussion with respect to any item. Furthermore, I give the usual undertaking that the passing of this measure will not prejudice the rights and privileges of members to criticize any item in the estimates when it comes up for consideration in committee of supply. The usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this measure.

Mr. Chevrier: Mr. Chairman, the details of the proposed bill having to do with interim supply have been given to the official opposition. We have looked at them and I believe that on the face of it the statement made by the minister is in accordance with the fact that this has been the practice in previous years under similar circumstances. Had this measure been introduced prior to the statement made by the Prime Minister concerning the date of the election, there would unquestionably have been strenuous opposition from this side of the house. However, now that we know the date of the election and as the proposed bill is couched in the language we now have before us there would be no purpose in objecting to its form or substance.

I note also that in his statement the minister has made it quite clear that members of the opposition and, for that matter, members of the house, will retain their right to discuss any of these items at a future time and he has given his undertaking that the voting of this interim supply will not in any way prejudice the right of members to criticize these items. In view of the fact that the form

and substance of the bill are similar to what was proposed when we were on the other side of the house, there is no objection on our part to the measure in its present form.

Mr. Regier: Mr. Chairman, in essence this group agrees with the statement that has been made by the hon. member for Laurier. However, in the past, especially in 1958, extensive use was made of governor general's warrants. I regret very much that after that time the Financial Administration Act was amended to grant even more discretion and authority to the government of Canada with regard to the possible use of governor general's warrants in order to carry on the business of government. I should like to ask the minister this question. If approval is given now to this interim supply measure, does he see any possible need to exercise the prerogative of the government of using governor general's warrants before parliament is again called?

Mr. Fleming (Eglinton): The whole purpose of the present measure, Mr. Chairman, is to make provision for everything that we can foresee at this time, and unless something extraordinary should arise that we cannot now foresee the present bill should provide all the supply required to take us up to the month of October.

Mr. Hellyer: Mr. Chairman, this measure will authorize the expenditure of further vast sums for weapon systems and weapons which only have an atomic capacity or which, to use the Prime Minister's words, only reach their full capacity when armed with atomic warheads. It involves in addition, I presume, certain expenditures for housing at the Bomarc stations at North Bay and La Macaza. The statement of the Associate Minister of National Defence that these devices at La Macaza and North Bay would at best only be useful for something in the order of three years even if they were armed raises, of course, the logic of continuing these expenditures and the logic of parliament authorizing such expenditures at this time. Would the Prime Minister indicate to the committee whether the government has decided yet if it will or will not authorize the use of atomic warheads by Canadian troops?

Mr. Diefenbaker: Mr. Chairman, the attitude of the government has been set out most clearly in this regard. There has been no change and there is no anticipated change.

Mr. Hellyer: Can we take it then that the further authorization of additional funds for the F-104 program in fact means that the government intends that they will be used for the strike attack role when the squadrons are ready to go to Europe?

Mr. Diefenbaker: We have had very long discussions of that matter from time to time and there is nothing more I can add to my statement that there has been no change in our position whatsoever.

Motion agreed to.

Resolution reported and concurred in.

WAYS AND MEANS

The house in committee of ways and means, Mr. Martineau in the chair.

Mr. Fleming (Eglinton) moved:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1963, the sum of $1,704,710,347.93 be granted out of the consolidated revenue fund of Canada, as set forth in the resolution concurred in this day in committee of supply.

Motion agreed to.

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill No. C-90, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1963.

Motion agreed to, bill read the first and second times, considered in committee, reported, read the third time and passed.

BUSINESS OF THE HOUSE

REQUEST TO PROCEED WITH PRIVATE MEMBERS' BUSINESS

Mr. Churchill: This completes government business, but we have on the order paper the following notation:

From five to six p.m.—private members' business—private bills (special order).

Perhaps the house would consent to dealing with these matters now, although it is not yet five o'clock.

Mr. Speaker: Does the house agree to proceeding now to private members' business?

Mr. Peters: No.

Mr. Speaker: I hear objection to this procedure, and without unanimous consent it is not possible.

Mr. Churchill: May I understand this lack of consent to the proposal? Is it that we take up these matters later? Can we not deal with them right now because time is running out and this parliament will soon cease to exist.

Mr. Speaker: I am in the hands of the house. It is not yet five o'clock and without unanimous agreement we cannot move the clock ahead.

Mr. Churchill: We have a simple notation on the order paper with regard to the hour, and if certain business is completed then do we not normally move on to the next order of business? Why would there be a hiatus of half an hour or several hours between one piece of business and another?

Mr. Speaker: I think the difficulty is that the time of the house now is reserved for government business, and as long as there is government business on the order paper we could not pass automatically to the next order of business, which is private members' business. Perhaps a motion could be agreed to that we now proceed to the business in question?

Mr. Churchill: I would move that we now proceed to a consideration of private members' business, private bills, special order.

Mr. Speaker: The Minister of Veterans Affairs has suggested a motion to pass to private members' business, but I am afraid there is a technical difficulty to accepting the motion. In effect it would be necessary to suspend standing order 15, which regulates our business, and that can only be done on proper notice. The alternative, in the absence of proceeding with the order paper, would be to move that the sitting be suspended until five o'clock.

Mr. Hellyer: Perhaps now that hon. members have had a chance to reflect quietly on this, unanimous consent might be given to moving the clock ahead to five o'clock.

Mr. Herridge: We agree to that proposal.

Mr. Speaker: I understand that the house may be willing to agree unanimously that it is now five o'clock and proceed to the business that is ordered for that time.

Some hon. Members: Agreed.

Mr. Howard: We agree to call it six o'clock, if the government so desires.

Mr. Speaker: The house will now proceed to the consideration of private members' business as listed on the order paper for today.

PRIVATE BILLS

Mr. Speaker: Before putting the motion with respect to Bill SD-2, is the house agreeable to consider the divorce bills in groups?

Mr. Howard: I think they should be called in the order they appear on the order paper.

Right Hon. J. G. Diefenbaker (Prime Minister): I wonder whether hon. gentlemen who have expressed their views strongly would give consideration to the taking of these bills in groups. They have received the full attention of the other place and each of them has been examined. If there are some cases that hon. gentlemen regard as needing further examination, well and good, but I would point out the fact that the people who made these applications did so in good faith.

The law has been as it is and they accepted in groups and if we proceed to ask for royal assent in what has been done at a quarter to six this evening, these bills will die when dissolution takes place. The result will be that those who have the right to expect that parliament will deal with their cases will suffer irreparable loss, besides being subjected to a long delay before the next parliament.

I realize there are strong feelings on this matter. At the same time I do something I have not done before—I make an appeal to hon. members that they permit the taking of all the cases, excepting those they designate as a result of their reading as desiring further consideration. I would hope it would not be said of us that we, under law, denied those who are proceeding under law their rights and privileges.

Mr. Frank Howard (Skeena): I should like to make a comment on the suggestion made by the Prime Minister. His remarks and the appeal he has expressed now have been uppermost in our minds for the last three years, ever since we became interested in the procedure followed in parliament in dealing with these particular cases.

Over the past few years, perhaps too vigorously at times, we have proposed a variety of alternatives to the present system. Without going into the full details of those alternatives, we have asked that, even though there should be no great desire or agreement to proceed to establish an alternate procedure, at least the government should indicate that it be made the subject matter of intensive study by a royal commission. Were that done it would indicate the government was taking steps to deal with this particular question, which might even be confined to the question of parliamentary divorces.

As I say, we have proposed a number of alternatives but they have all reached a dead end. That is very regrettable to me. It is painful to me, to the hon. member for Timiskaming and to others who concerned themselves with the problems and difficulties facing the individuals making petitions to parliament. Indeed it is difficult and painful at this last hour, as it might well be, to have

to say that we feel we cannot agree to the suggestion made by the right hon. gentleman. Had there been coupled with that suggestion some announcement of government policy with respect to dealing with this question in a forthright and definite way, then the reply we now make would probably be quite different.

Again, it is just as regrettable, painful and disturbing to us as it is to everybody else to have to decline to accept the suggestion made by the Prime Minister.

Mr. Speaker: Well, in the absence of some agreed method of dealing with the situation with which the house is confronted, I have no other course but to proceed according to the order paper and the rule book. It being five o'clock I do now leave the chair for the house to resolve itself into committee of the whole to deal with Bill SD-2.

BRUCE REID CAMPBELL

The house in committee on Bill No. SD-2, for the relief of Bruce Reid Campbell—Mr. Martineau in the chair.

On clause 1—*Marriage dissolved.*

The Chairman: Shall clause 1 carry?

Mr. Peters: We now have on the order paper 327 bills and prior to today we have had only two hours' opportunity to investigate the allegations in these bills. I believe we should have a much longer time today to look into some of these bills.

The bill before us asks for relief for Bruce Reid Campbell, domiciled in the province of Quebec. The petition indicates that the marriage took place in the county of Middlesex, England. The adultery took place in the province of Quebec.

This marriage was solemnized in the Church of England; it was duly published and celebrated by Arthur Douglas Young, rector. At the time of the marriage the petitioner was a solicitor in the Canadian army. He was temporarily resident in England but domiciled in the province of Quebec, Canada. His wife, June Ethel Phyllis Campbell, was domiciled in England before the marriage, and since the return to this country of the husband and wife the parties have declared the province of Quebec to be their domicile, in the district of Montreal.

Mr. Chairman, in this case, again, there are children. One of the matters which has concerned us very greatly is the fact that this particular marriage comes under the British North America Act and gives the federal government jurisdiction in the matter. Out of that marriage there is issue; Malcolm Harold Campbell, Donald Ernest Campbell and Janice Anne Campbell. The petition contains the information that there have been no legal proceedings between the plaintiff and the respondent as to the maintenance of the children; there has been no agreement or arrangement between the spouses with reference to the children.

This matter of maintenance of children has been argued in the past and probably will be argued in the future. I presume it is a legal argument beyond my ability or comprehension. However, it would seem to me as a layman that if the federal government has the responsibility for this marriage, they must also have the responsibility for any children born of the marriage. There has been considerable discussion in other places regarding the residency clause, and because a particular province is concerned it has been said that the children of the marriage are the responsibility of the provincial authorities and not the federal government.

In this case, Mr. Chairman, we are concerned with whether or not this petition should be granted, but in this case the passing of the bill will give relief to only one person, we assume, if the charge of adultery is correct, and that of course is a matter that warrants some discussion. The fact that we are considering giving relief to the petitioner will create a certain amount of hardship for the children of this marriage.

These children are all of an age at which they are not expected to look after themselves. The first child was born in 1947, the second in 1949 and the third in 1951; therefore they are still of an age when they can expect and should receive parental assistance. Because the question of the maintenance of these children has not been dealt with in the province, because there has been no previous legal application before the courts in connection with their support, this becomes a matter for this committee to consider now, because we are being asked to grant relief to the husband in this particular case, who of necessity would be the breadwinner of the family. Therefore I think in this particular case we should be very much concerned about what happens to the children. I presume that before consideration is given to this question there will have to be some indication that the children have been taken care of and that they will be looked after financially if we separate them by law from their parents.

Mr. Chairman, I would like to refer to the evidence given in this particular case because I think it is important. I would refer the committee to page 11 of the proceedings held in the other place in regard to this matter:

By Senator Cameron:

Q. Are your children with your wife? A. Yes, I thought it best to allow her to have their custody.

By the Chairman:

Q. Your wife has had custody of the children all the time? A. Yes.
Q. You entered into a definite agreement with her about that, did you? A. No, we discussed this until finally my lawyer drew up an agreement.
Q. That agreement has been signed, has it? A. Yes, on November 30.
Q. That agreement gives her what? A. Custody of the children.
Q. Do you pay her any money? A. No, sir. In the past I have been paying, though.
Q. But there is nothing in the agreement requiring you to pay her any maintenance? A. In the future, no sir.
Q. You have no monetary responsibility so far as the agreement is concerned? A. In the future, no.
Q. How long have you been separated now? A. I moved downstairs in September, 1961.
Q. Do you go to see the children at all? A. I occasionally drop up in the evening. My mother owns the property, it is three flats.
Q. They are still living on your mother's property? A. Yes, on the top floor.
Q. How old are the children? A. My oldest boy is 14, the next one is 12, and my daughter is 10.
Q. Are they all going to school? A. Yes.
Q. They are being satisfactorily schooled? A. Yes.
Q. Properly clothed and looked after? A. Yes.

By Mr. Gomery:

Q. Do you know what plans are to be made in the future concerning your children? A. Just the fact that my wife wants to marry another man and he has promised to bring the children up properly and they will be schooled and well taken care of.

It is apparent from this evidence that the matter of the custody of these children has not been settled. While it has been argued on occasion that there are certain matters which enter into provincial jurisdiction, I think that because this matter comes under a section of the British North America Act which establishes in parliament the responsibility for marriage and divorce, by implication we are responsible for looking after the children of the marriage.

When somebody petitions parliament he should at least be prepared to say what he is going to do in relation to the issue of the marriage. I believe that the issue of the marriage is a part of and cannot be divided from the original marriage. The issue is part of the marriage, and I believe there is no hon. member in the committee this afternoon who would not agree that one of our major concerns in granting this petition is the side effects and the results it will have on those being affected by this particular bill. It is evident that the corespondent in most of these cases has a direct interest in the future of the arrangements set out in the petition or in the evidence. In many cases, if the petition is granted he or she will marry the defending party in the case. In other cases, of course, they say they have nothing to do with the affair at all and that their names were improperly used. We have set up machinery in the other place to consider these matters. The position of the innocent party in the proceedings is discussed as is the position of other people who may be involved. In these circumstances I think no one would disagree that before these petitions can be granted parliament should be satisfied that a suitable arrangement has been made for the protection of the children concerned in these cases.

The father in the case now before us has indicated that the second man involved, the corespondent, has agreed to accept the children as his own and to provide support for them. I suggest this is an unrealistic way of looking at the situation. Certainly, he should have some responsibility for the care of the children. However, I do not believe we have any direct relationship with the corespondent in this case. We are not at liberty to determine whether he has agreed to accept these responsibilities. We are dealing with what normally would be called hearsay evidence. This is not, in my opinion, the type of arrangement of which we should approve. This is one of the problems with which we have been faced during the past two or three years, and I believe it would be better if, in fairness to all the parties concerned in the case before us, there were an arrangement which would satisfy the house as to the probability of the children being cared for, educated and given sustenance in their formative years.

There is another matter with which I am concerned in relation to this petition, and it is the possibility that the citizenship of these children may be changed. The adultery alleged is supposed to have been committed with one Arthur Dewing of Stamford in Connecticut, which is one of the states of the United States. It may be that we are not even protecting the birthright of these children, their right to remain Canadians, because they are under age and if they are accepted by a foster father they may even lose their right to be Canadian citizens. I believe no one in Canada would want a decision of this type to be made for these children with no protection from the court which is granting the separation.

Mrs. Fairclough: I do not wish to get into the debate but I should like to set the hon. member's mind at rest in that regard. If these children were born in Canada they are Canadian citizens.

Mr. Peters: I thank the minister for that information. I was aware that they could carry their Canadian citizenship. I am only suggesting that their foster father, as a citizen of the United States, would no doubt exercise a great deal of influence on the children

during years when they are not of an age to formulate opinions for themselves. It could come down to the same argument as is used in Ontario at the present time with regard to adopted children and religious considerations. It is felt unwise and not necessarily in the public interest to allow children to be placed in families having a religion other than that of the natural parent. I think by similar reasoning this would also apply to the question of citizenship in this particular case. This may not be a major problem, because I agree that children born in Canada, even if they are ten or eleven years old, would probably want to continue their Canadian citizenship. Nevertheless a man who was keeping such children only because he had volunteered to do so would have considerable influence over them and the result would not necessarily be in the interest of Canada in general.

I am sure that the adultery charge itself is of great concern to the house and that the arguments which have been advanced on several previous occasions with relation to other cases should be examined again, because the courts are always warned, and rightly so, that in cases where a paid investigator is used only a limited amount of credence should be given to his evidence. Obviously this is so because on many occasions the paid investigator has been hired by the lawyer for the plaintiff and has, therefore, a special interest in the case. Let me refer to the questioning by the committee when this matter was discussed. The evidence will be found on page 13 of the third report from the other place.

Q. What is your full name?—A. George Roland Foucher.
Q. What is your age?—A. 45.
Q. Where do you live?—A. Montreal.
Q. What is your occupation?—A. Investigator.

I believe that in all fairness we have the right to ask ourselves and the house to give consideration to a number of further questions which should have been asked. One of them is whether this investigator—

The Chairman: I regret to interrupt the hon. member but his time has expired.

Mr. Howard: The last point mentioned by my hon. friend from Timiskaming is an important one because it concerns the weight which should be attached to the evidence which was given before the committee of the other place.

Before I get into that, I might perhaps say that I do not particularly want to engage in debating this particular bill. I do not wish to engage in reading through the evidence to discover whether something is right or wrong. We do not particularly think this should be a function of parliament. If I may be allowed to make a general comment or suggestion along that line, I should like to do so. Before the committee sat, a suggestion was made by the Prime Minister that we might lump all these bills into one and deal with them by a process of automation, I suppose. To that suggestion we could not agree at that time. We then propose that there is still a way out of this impasse and we would hope that it might be taken. We still have a few minutes left before we reach the hour of recess or adjournment or whatever we are going to reach. Perhaps the members of the government could reflect upon what course of action they might suggest or might wish to suggest in this regard and, before the hour of six o'clock—I am not sure whether that would be 5.36 by the time of the clock or whether it will be six o'clock by the time of the clock —or in any event before the committee rises, we might be in a position to hear a positive pronouncement by the government on the course of action they wish to undertake to deal with these things. Perhaps we could easily at that time follow the course of meeting the requests of the petitioners themselves. I say this only in a general way. There is a good half hour or three quarters of an hour perhaps left. I would hope that the Prime Minister who earlier expressed concern about this matter—with which concern I agree—and some of his colleagues in the cabinet who are interested in this matter might be thinking about some proposal to make and we could consider it on its merits at that time. We do not wish to be obstinate. We feel that this is something with which parliament should not be dealing. I am sure all members of the House of Commons would like to see these divorce bills taken out of parliament and dealt with in some other way so that we should not be obliged annually to go through this same sort of tortuous process. We hope that perhaps we could find some common ground of agreement there. If the cabinet or the Prime Minister on their behalf would later on care to make some suggestions, either publicly or amongst the house leaders including the hon. member for Kootenay West, we may be able to reach some agreement on what course we should follow.

Apart from that however, if I may I should like to get back to the question raised by the hon. member for Timiskaming with regard to the value we should place upon evidence given by private investigators. You will recall, Mr. Chairman, that I placed on record yesterday some quotations from a decision by Mr. Justice Spence in Ontario with respect to a particular case and in which he said we should look very carefully into the evidence given by people who classified themselves as investigators or as private detectives but who are in fact not licensed to carry on that

activity under whatever the provincial law happens to be; that if they are people who are not licensed to practice they are in the same class or nothing more than a paid witness on behalf of whoever they happen to be giving evidence about; and that such evidence—I am paraphrasing Mr. Justice Spence's remarks—given by these people requires careful scrutiny, corroboration and substantiation by others.

We drew this matter to the attention of Senator Roebuck who is chairman of the Senate divorce committee. Yesterday I read extracts from that letter. The answer we received was "Thank you very much. The contents of your letter have been noted". In this instance, as to the people who classified themselves as investigators, namely George Roland Foucher and Jean Vinet, in neither case in the evidence that is before us is there any query made of them as to whether or not they are in fact licensed as private detectives or licensed investigators under the private detectives act of Quebec. I look beyond the information contained in the printed evidence. I have the official papers and documents which go along with this bill and which retain all of the originals, including the original petition, the original transcript of evidence, the notice of application, copies of the advertisements and the like. Nowhere in any of the official documents or papers relating to this particular case is there any indication that anyone was the least bit interested in whether or not Mr. Foucher and Mr. Vinet were licensed as private detectives under the private detectives act of Quebec. I, of course, do not think we are entitled thereby automatically, because there is no indication that they are not so licensed, to come to the conclusion that they are in fact not licensed. It might well be that they are licensed. However, the point is that even after this matter was drawn to the attention of the chairman of the committee of the other place, and even after it had been drawn to his attention that it would be helpful if this information was obtained, there was obviously no desire to do so or no effort made in that direction, thus indicating perhaps that this is something which the committee of the other place or at least its chairman did not consider was a practical or worth while matter. In fact, I remember in one instance reading the evidence given by a lady who classified herself as an investigator and gave her age as 82. She perhaps was licensed as a private investigator, but it seems highly unlikely. From following the evidence that she gave, we learned that she did not go out of her way to discover the circumstances which happened to exist in a rooming house in which she lived. However, she classified herself as an investigator. In that instance I think she would have been nothing more than a paid agent.

With that approach or that background, perhaps we should see just what these two gentlemen, these private investigators, discovered in their search for adultery upon which this petition is founded.

Mr. Foucher who is one of the investigators, and is apparently the major one, gave certain evidence shown on pages 12 and 13 of the record. Certain preliminary questions are asked. Then towards the bottom of the page Mr. Gomery who is the counsel for the petitioner clearly asks as follows:

Q. Were you asked to conduct a divorce investigation on Mrs.—

That is the respondent.

—by myself? A. Yes, on the 30th August, 1961.
Q. Could you tell the committee the result of that investigation?

Then it continues on at some length as follows:

A. On Friday, September 15, and Saturday, September 16, 1961, I followed Mrs.—

He gave there the name of the respondent.

—during the day. On Friday, the 15th, from approximately 1.30 p.m. until approximately 5.30 p.m. when she left from the corner of St. Antoine and Green and entered a black Renault car with a gentleman in it, I followed her. They drove around town stopping off quite some time at the Camillien Houde observatory at the mountain and returning home at approximately 5.30 p.m. I followed the car.
Q. By returning home what do you mean?
A. On returning close to her residence on Selby street, which is just around the corner from St. Antoine street.

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

Mr. Howard: Certainly.

Mr. Nugent: It has become obvious that this large group of divorce bills is not going to go through. I can understand what the hon. members are striving to do and I have a suggestion which I hope they will consider. The result of their present course of action is that this large number of divorce bills will not go through and I suggest to them that even if half of the total number were allowed to go through they would still achieve their objective by blocking passage of the rest and would still be bringing pressure to bear as they hope to do.

It can be argued, of course, that we would be discriminating against the other half that we did not pass, but I simply suggest that for the purpose they wish to achieve they are now discriminating against all these people who are unfortunate enough to have divorce bills on the order paper. In effect what I am suggesting is that we do not discriminate

against half of them, that we give relief to half of them because otherwise all of them are going to suffer disappointment.

I understand that the hon. members who have been speaking have given considerable study to this subject. It may be that there are certain cases about which they have graver doubts than they do about others. Possibly they might be willing to let every second bill go through or the first half of the list or the last half of the list. I am merely suggesting that the hon. members can achieve the same objective even if we give relief to half of these people, and I would ask them to consider that suggestion.

Mr. Howard: If I may answer the hon. member, Mr. Chairman, it would appear to me that he was not asking a question but rather making a suggestion as to how we might approach this matter, but either way I will deal with it. Unfortunately, I think we would be picking and choosing among the various cases that appear on the order paper and if we did that we would in fact be saying that simply because the bills involving certain people are in a particular position on the order paper we would grant their petitions but would not deal with those bills that happen to be in another position on the order paper.

I do not think parliament should be put in the position of attempting to pick and choose on the basis of drawing a line halfway down the list or a quarter of the way down or picking out certain ones and not picking others because we have doubts about them. If we accepted this suggestion I think it would cause a great deal more consternation than is being caused at the moment and we would be laying ourselves open to charges against which we could not defend ourselves.

Parliament drew a distinction last year between the types of bills before the house. I have been told by someone who has kept track of the matter in the other place that perhaps two of these bills—I do not know their numbers—involve annulment rather than dissolution of marriage. In other words, a marriage did not exist in the first place because of some peculiarities with regard to the marital relationships of the couples involved. Last session we treated annulments in an entirely different way because a marriage did not exist in the first place. If the sponsor or anybody else wants to pick out the bills of that type on the order paper we can proceed with them and pass them as was done last session. That would be quite agreeable but in our view that is the only distinction we can draw with regard to the bills now before us. We do not think it should be done on the basis of tossing a coin or saying that the first 50 bills will pass but the next 50 will not, or by drawing numbers out of a hat. I do not think we can engage in a lottery in this regard. I would prefer to have some announcement made by the government of an approach that would meet the situation. I do not think there would be any hesitation then in letting them all pass. Failing that, I am afraid we would be inviting trouble if we followed the suggestion of the hon. member.

Prior to the question being asked I was dealing with what had been ascertained by Mr. Foucher, the investigator, in the course of following the respondent. I do not know where I was when the hon. member asked his question but I will read again the words of the investigator near the top of page 13.

A. On returning close to her residence on Selby street, which is just around the corner from St. Antoine street. I followed the car after that. I returned to the Mount Royal hotel and from there I was able to establish that he had gone up to the sixth floor and I had the name given to me before through the hotel registry—

He gives the name of the person who is recited in the petition as being the corespondent.

He had room—

He gives the room number.

Throughout that night I failed to notice anything happening. Mr. Dewing was not in his room, I lost him, and it was not until the following day, Saturday the 16th, that I was able to take up again after—

He gives the name of the respondent.

—at approximately 7.30 p.m. left in her car and drove and parked it on the northwest side of Atwater avenue near St. Catherine street, and a few minutes later was picked up by the same car and the same man and they went across to the Clover cafe where they remained inside for approximately an hour. They came out again and drove directly to the Mount Royal hotel. I noted that the woman was carrying besides her purse something that looked like a paper bag. The car was left at the hotel, the attendant looked after it, and they went into the Picadilly lounge on the ground floor of the hotel where they remained until approximately 9.15 p.m. Then they both made their way to the elevator, went to the sixth floor. In the meantime I called Mr. Vinet to join me at the hotel. He did so about 9.30 p.m. and from there on I made periodical checks on the room, I heard voices inside until about 11.10 p.m. when Jean Vinet and myself went up to the room and I knocked on the door. It was opened by Mr.—

He gives the name of the corespondent.

I addressed him by his name and asked him to go in and as he was standing inside the door we entered and I asked to speak to—

He gives the name of the respondent.

—who at that time was just on the edge of the bed partly sitting up and wearing a light blue nightgown.

The Chairman: I regret to interrupt the hon. member but his time has expired.

Mr. Howard: Was account taken of the time for the question and answer?

Mr. Peters: Mr. Chairman, it is unfortunate that the hon. member for Skeena was interrupted because of the rule of the committee. He was raising a very important point and I only want to refer to one part of the evidence. There are a couple of amusing passages I might mention. I am always interested when these questions are asked about how so and so was dressed. We find the answer here is that he was wearing cream coloured, solid coloured pajamas.

An hon. Member: What colour do you wear?

Mr. Peters: Here, we have a budding investigator in our midst, and we did not know it. After the events of the next few months, perhaps he will be appearing before us regularly as one who has entered this very lucrative field.

Mr. Churchill: I rise on a point of order, which is not really a point of order. On other occasions when evidence such as this was being read into the record, contrary to what was the practice in this chamber in days gone by, may the page boys be relieved of their duties in the chamber.

Mr. Peters: We certainly support that.

The Chairman: The committee is in agreement with the suggestion made by the minister, and the page boys are therefore relieved from further attendance at this time.

Mr. Peters: We are not going to embark on that type of discussion, anyway. I only wanted to point out one thing that was said. There was a question asked by Mr. Gomery, who was the lawyer for the plaintiff, I am told. The question was asked, I presume, of the first detective, Mr. Foucher, and I quote from his answer:

> I explained the purpose of our presence in the room and I would say they took it philosophically, there were no acrimonious comments made when we left. We retired downstairs and stayed there for about half an hour and then left.

Now, Mr. Chairman, this would not be surprising if it were not for the fact that this couple were seeking a divorce. This is one of the problems with which we are always faced in connection with these matters, connivance and arrangements that are quite often made. We should refer again to the questioning by the lawyer for the plaintiff, and I quote:

> Q. What prompted you to leave? Start from the beginning.
>
> A. Well, things had not been going too well within the family for several years. My wife, for the last two years insisted on taking her holidays on her own, without me, and she came home late one night last summer, very early in the morning and I gave her a severe reprimand and this time she said she wanted a divorce. I thought this over a couple of weeks.

It would be very interesting to know what a severe reprimand is from a husband to his wife.

> Q. Why did she say she wanted a divorce? A. She told me she was in love with another man and wanted to marry him.
>
> Q. Did she say who he was? A. No, but the following day she told me.
>
> Q. Who was he? A. Mr. Arthur Dewing of Stamford Connecticut, United States of America.
>
> Q. Do you know Mr. Dewing? A. Both my wife and I knew Mr. Dewing in England.
>
> Q. He is an Englishman? A. Yes.
>
> Q. What is he doing in Stamford, Connecticut? A. He emigrated to Canada first then he went to join his sister in the States.
>
> Q. What did you do as a result of this conversation with your wife? A. I thought a couple of weeks about it and finally I decided to secure legal advice.
>
> Q. What did you instruct your attorney to do? A. I thought they should start a divorce investigation at least.

Now, Mr. Chairman, this is the point of the remark that was made at the scene of the alleged offence when the investigator said they took it philosophically and there were no recriminations, as there sometimes are in these cases. The reason for this treatment was that they had decided to get a divorce. She wanted a divorce and he wanted a divorce. He went to a lawyer and asked how to get it. Obviously, this is one of those cases were the corespondent may or may not be guilty of the offence. There is reason to believe that this divorce was obtained by what I would consider to be other than the regular legal procedures.

I return to the evidence, and I find that this question was asked.

> Q. As a result of this consultation with your attorneys, did you learn anything which made you think you should move out? A. Yes.
>
> Q. What did the attorneys report to you?

I am surprised this testimony was allowed to continue this far, but the chairman finally intervened and said:

> We cannot allow that.

I would think that not only could the chairman not allow it but I would be very surprised if the lawyer could follow this type of question because it would be inevitable that he would become implicated if this line of questioning were continued. The lawyer then said:

> Mr. Chairman, I merely want to establish the reasons for his moving out.
>
> By The Chairman:
>
> Q. As a result of the investigation which your attorneys made you moved out?
>
> A. Yes.

It is surprising that in this evidence the chairman did not ask about the date he

moved out of the house which he was sharing with his wife and children. He did not ask for the simple reason, I would imagine, that this would also have indicated that the whole procedure had been instigated by the two people who were interested in obtaining this divorce. If these allegations are true, Mr. Chairman, then since this is a quasi court and since collusion has been indicated, we should act as a court.

Now, we note that in this particular case the respondent appeared before the Senate committee and the chairman of the committee spoke to her as follows:

Mrs. Campbell, I want you to listen to me for a moment. You have gone in the box to give evidence—

This certainly sounds like court procedure.

—and I have to make it quite clear to you that you are under no obligation whatever to give any evidence that will tend to show that you have been guilty of adultery. You can give that evidence if you like, but you can refuse to give it. If you want to give evidence, of course, it will be taken down in the ordinary way. Now, with that caution on my part do you still wish to give evidence?

Well, this divorce was very important not only to the respondent but to the petitioner as well. This was the questioning by the clerk of the committee:

Q. What is your name?

She gives her name.

Q. What is your age?

She gives her age.

Q. Where do you live?

She says where she lives.

Q. What is your occupation? A. Clerk typist.
By Mr. Gomery:
Q. Are you the wife of Bruce Reid Campbell, sitting on my left? A. Yes.
Q. And the respondent in this case? A. Yes.
Q. Were you issued with a subpoena requiring you to be present today? A. Yes.
Q. Did you commit adultery with one Arthur Dewing on September 16, 1961 at the Mount Royal Hotel? A. Yes.

Well, Mr. Chairman, there are two surprising facts here. One is that this lady could get up and make this declaration which has certain social as well as legal restrictions to it, and the other is that this is the type of evidence that can only be given when the respondents themselves wish to make this type of information available. It cannot be forced from someone. Certainly the chairman of the committee fulfilled his duty in informing this person that she had the right to refuse to do this.

The second surprising feature, and the most important one involved in this particular case, is that when this respondent was before the other place no question was asked about what would happen the children. Yet we have seen from the evidence that the children were going to be the sole responsibility of the respondent and that the plaintiff had already declared he was waiving his right to the custody of the children. No questions were asked about the children and no consideration was given to them. It is surprising that this woman appears to have so little maternal affection that she did not ask for the indulgence of the committee for the establishment of her maternal rights to the custody of the children and the formalizing of an agreement which was indicated by the plaintiff as being agreeable to him.

The third point is probably not so important, but it is something I have not often noted in these cases. In this particular case the lawyer for the plaintiff asked whether a subpoena had been issued requiring attendance that day. I may have overlooked this in other cases, but I am under the impression that this is very seldom done. It is very seldom anyone ever subpoenas the respondent, that is, obtains a court order, and I cannot see how such an order could be obtained from the other place. I do not know if the other place has authority to give such an order but I do know that in the House of Commons miscellaneous private bills committee there is no power to subpoena private witnesses.

The Senate may have some legal machinery whereby it can do that, but I do not believe that is so. I shall be very interested in this matter and would like to know if a subpoena was issued through a provincial court.

Mr. Chairman, it has been brought to my attention it is now six o'clock.

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

Mr. Peters: It is six o'clock.

Mr. Drysdale: I realize the hon. member and his party have clearly indicated they are opposed to the fundamental principles in the bill of rights, but I wonder if he could indicate to the house whether that party, which used to stand for the freedom of the individual as proclaimed by Mr. Woodsworth and other members of the party, intends to perpetuate this violation against individual freedoms contrary to the principles in the bill of rights, or whether that party will give consideration to having these individual freedoms and principles upheld at this time?

Mr. Peters: That is a beautiful question but it is unfortunate that the time has arrived for the ending of this hour. I wonder if the hon. member who asks this question has in mind the rights of the individual under the bill of rights—is he interested in only one individual in these cases and not in the other

four individuals who are concerned? There are the rights of four other individuals to be concerned and three of them are innocent. They have nothing whatsoever to do with this, even though they are going to be very fundamentally affected. With regard to what the Prime Minister said about this matter—

Mr. Drysdale: Will the hon. member answer my question?

Mr. Peters: It is six o'clock.

The Chairman: Order.

Mr. Peters: The bill of rights, in my opinion, should apply to all people and should be given to all people.

Mr. Bell (Saint John-Albert): Then apply it to all, yourself.

The Chairman: Order. We are not discussing the bill of rights. We are dealing with Bill SD-2.

Mr. Drysdale: On the point of order, the hon. member has indicated, I think, that the bill of rights is relative at this particular time.

Mr. Howard: Six o'clock.

Mr. Churchill: Mr. Chairman, you gave an opportunity some time ago to the hon. member for Skeena to make some introductory remarks before he dealt with the bill under discussion. I should similarly like to take this oportunity to make some remarks with regard to what is proceeding here this afternoon, which is a shocking affront to parliament and to the people of Canada.

I think the hon. member for Skeena and the hon. member for Timiskaming will stand condemned before the people of Canada for their action this afternoon and their part in it—

Mr. Regier: On a question of privilege, Mr. Chairman. I believe that a question of privilege takes priority over a point of order. As I understood the arrangement we called it five o'clock at 5.36 p.m. by my time. It is now 5.41 by my time and I believe we are entitled to call it six o'clock.

Mr. Churchill: I see no point of privilege there at all, Mr. Chairman. To complete my sentence—

Mr. Regier: I should like to appeal to you, Mr. Chairman, to deal with my question of privilege and not permit a minister to brush it away arbitrarily.

The Chairman: So far as the chairman of the committee is concerned it has been brought to his attention that there should not be any deviation from the rules and, under the rules, private members' business must take up from five to six o'clock, and it is not yet six o'clock.

Mr. Regier: If I may rise on the question of privilege I, appeal to you, Mr. Chairman, to explain how we can call a time five o'clock and then, one hour later, refuse to call it six o'clock.

The Chairman: Well, to enlighten the hon. member that particular agreement took place while the Speaker was in the chair. The committee has no knowledge of it and it has no direction to deviate from the normal rules. Therefore I must continue to apply normal rules unless there is unanimous consent to proceed otherwise, and I do not see that unanimous consent.

Mr. Churchill: I would like to complete my sentence, that the New Democratic party will stand condemned by the people of Canada for the action of these hon. members today, who are acting with the consent of their entire party.

It is a serious reflection on that party that it will use the power given to it here under the free rules of this house to prevent justice being done under the law to 586 Canadians who, under the law, have made applications in good faith for divorces.

Time and again we have discussed the nature of the procedure with regard to divorces. As I said last night, we have made every possible effort in conjunction with the New Democratic party, with the Liberal party and the other place to reach agreement and consent concerning the method of dealing with this type of procedure in the house.

Not having obtained consent, it surely is not fair to these people, who in good faith and under the law submitted their applications to parliament, to deny them their rights under the law. Whether or not people approve of divorce does not enter into the question at the moment. By this action two members of this house are denying to at least 600 people the right that is due them and is assured to them under the law of this country.

Some hon. Members: Shame.

Mr. Churchill: This is not going to go unnoticed throughout Canada. I regret that the New Democratic party as reorganized has gone so far away from the principles established in the past by men who were great leaders of the C.C.F. party, Mr. Woodsworth, Mr. Coldwell and others—

Mr. Regier: And you.

Mr. Churchill: —and now Mr. Douglas who is leading the New Democratic party. These men, I am sure, would not deny to Canadian

citizens their rights under the law. Never did I hear that mentioned in this house in the past when the C.C.F. was here in strength.

Mr. Peters: Mr. Chairman could I ask the minister a question?

Some hon. Members: Sit down.

Mr. Churchill: That was a party which stood, along with other parties, for the rights of the individual, and here is a denial of freedom under the law.

Mr. Howard: You are denying it.

Mr. Churchill: It is a complete denial of the bill of rights.

Mr. Howard: You are denying it.

An hon. Member: Go back to the hills.

Mr. Churchill: It is a shocking abuse—

Mr. Howard: You are the ones who are finally denying it.

Mr. Churchill: —of freedom within parliament. The hon. member for Skeena and the hon. member for Timiskaming both know that every effort was made this session—

Mr. Howard: That is not true.

Mr. Churchill: —to reach agreement—

Mr. Howard: That is not a true statement.

Mr. Churchill: —and all sorts of meetings were held. They were advised of the difficulties in the way, and yet they stand up here—

Mr. Howard: That is not true.

Mr. Churchill: —attempting to hold a shotgun to parliament in its dying days.

Some hon. Members: Hear, hear.

Mr. Churchill: They do this at the expense of—

Mr. Howard: You are not telling the truth now.

Mr. Churchill: —and in denial of the rights of 589 citizens of this country.

Mr. Nowlan: Mr. Chairman, on a question of privilege, the hon. member said the Minister of Veterans Affairs has not told the truth. I am asking him to retract it.

Mr. McDonald (Hamilton South): I should think so.

The Chairman: Order. I will hear the hon. member on the question of privilege.

Some hon. Members: Withdraw.

An hon. Member: Withdraw or be named.

Mr. Howard: Oh, here is this threat of naming again that comes up. It is the first thing that comes to one's mind, to name someone.

An hon. Member: Withdraw.

Mr. Howard: If you will contain your blood pressure for a moment, I will. I withdraw and say this, that what the minister said is not in accordance with the facts; and that is a true statement. That was placed on the record yesterday. When the minister gets up here and invites us to get down in the gutter with him, I refuse to co-operate.

Some hon. Members: Oh, oh.

Mr. Morton: Mr. Chairman, I rise on a question of privilege. The hon. member has made an attack upon the minister. I can assure the committee and all hon. members of this house that the minister has done all he can within the realm of practical politics to come to some solution of this problem. I want to say that some of us have negotiated with hon. gentlemen on the other side of the chamber. We came to what we thought was the principle for a solution and waited until we had word from another group as to whether the general principles agreed upon would bring about the solution desired. But it was only at the last minute that we heard this arrangement had fallen through.

Some hon. Members: Oh, oh.

Mr. Regier: Which other group?

Mr. Morton: I have had private conversations on this matter. The hon. member was kind enough yesterday not to divulge the names of people involved, and I am not going to involve people either. All I am saying is that we waited, and so did the people who are now trying to heckle me, until we thought a solution had been reached. It was at the eleventh hour that we found nothing could be done. I say it is most unfair to blame the minister, who helped us try to reach a solution and who himself was let down at the last minute.

Mr. Nowlan: On a question of privilege—

Mr. Howard: On a point of order—

Mr. Nowlan: I am on a question of privilege. The hon. member for Skeena did withdraw, or at least in part, or pretended to withdraw—as he does in regard to most things he says in this house—the allegation that the Minister of Veterans Affairs had told an untruth. Then he said he descended into the gutter, or words to that effect. That is just as unparliamentary and I would suggest, Mr. Chairman, that the hon. member—or "the member"; forget the "honourable"—for Skeena should stand up and withdraw more of the canards which he has been throwing out, and particularly the one with regard to the Minister of Veterans Affairs.

Mr. Howard: Mr. Chairman, the oversensitivities of the government demand apology, and I extend it. But I want to say this on the point of order raised by the hon. member for Davenport. If he says that in this house there is another group which at the last moment refused to go along with making some arrangements on this matter, then the minister cannot rise and accuse me of causing all this difficulty. It is the other group that is the cause of it all, if what the hon. member for Davenport says is correct.

The Chairman: I think we have had quite a fair discussion on this particular point of order and we should get back to the item before the committee, which is clause 1 of the bill. Shall clause 1 carry?

Some hon. Members: Agreed.

Mr. Peters: I would like to ask the minister one question. Is he not aware of the fact that, while it is true negotiations went on for almost a year, it is not going to be a calamity if we have not had the time to discuss these bills and they therefore do not pass, because did this not happen in 1958 with this government, when these bills were carried over in the other place and reintroduced without any expense being involved.

Mr. McCleave: Mr. Chairman, could I answer that question?

Mr. Walker: Mr. Chairman, on a question of privilege—

The Chairman: Order. Before the minister raises his question of privilege I will hear the hon. member for Halifax on this matter.

Mr. McCleave: Mr. Chairman, I have remained remarkably silent, to the extent that my hon. friends around here are commending me for all kinds of prizes. Perhaps it is because I hold here the Polynesian goddess of justice and she has comforted me in these somewhat bleak moments. I would like to answer the hon. member for Timiskaming on this point. In these cases which I have on the desk there are a number in which unless we grant divorces today children will be born illegitimate. I think it would be a shame if any one of us went forth from here having put that stigma on children.

I would also draw this to the attention of the hon. member for Timiskaming and the hon. member for Skeena. If a child is born illegitimate of an adulterous union, subsequent marriage does not cure that illegitimacy. I make that point. Finally, as I said yesterday, I do not want to enter into recriminations, but I do appeal to the heart of the House of Commons. If ever that heart was to show itself collectively—and it is only as strong as any one individual's heart—it must be shown at this point.

Mr. Peters: Mr. Chairman, a few moments ago we were raising this matter of collusion that quite often appears in these cases. I refer to the arrangement between the parties to a divorce. I was reading certain information that I think gives some indication that this was the case in this particular petition. I would be happy to have information as to why this respondent came before the committee on a subpoena which I would suggest does not exist. There is no machinery to provide it. I presume a subpoena could not be given by parliament and I do not believe it could be given by a committee. We have tried this. Hon. members may recall the case of Eccles *v.* Eccles a year or two ago. It was the intention of the committee to subpoena the corespondent in that case and also some of the other people concerned. This proved to be impossible. I refer again to the evidence in this case:

> Q. Were you issued with a subpoena requiring you to be present today?—A. Yes.

I would suggest—

Mr. Diefenbaker: Mr. Chairman, the royal assent is to be given and I suggest that you, sir, report progress. Then we shall continue, after royal assent has been given, so there will still be an opportunity to get this matter cleared away.

If not, I shall then move that the house do adjourn and dissolution will become official, I hope, tomorrow.

I had expected that there would have been a degree of give and take on this. It is apparent there is not going to be. These people who have taken proceedings—the only proceedings that they can take—are going to be denied what parliament provides as a remedy because one political party is determined that unless it gets its way they should be denied their rights.

I would suggest that you report progress and that we proceed to the other place as soon as the Gentleman Usher reports that the Chief Justice as deputy of His Excellency the Governor General of Canada is ready to give the royal assent.

Mr. Howard: I wonder if I can make one comment about what the Prime Minister has just said. Of course, we disagree violently with his suggestion that there is a denial of rights involved here.

Some hon. Members: Oh.

Mr. Howard: We would hope that the Prime Minister, in the period between now and when we come back after royal assent has

been given, will think about this matter and make some concrete and forthright proposals to parliament so that we might consider them at that time.

Mr. Diefenbaker: The Prime Minister cannot in his position place this house in pawn to meet the wishes of two members in this house and the party to which they belong.

Some hon. Members: Hear, hear.

Mr. Howard: I had intended to rise on a point of order about what the Prime Minister had said, but the applause covered up his sneaking out the back door before I had a chance to do so.

Mr. Fleming (Eglinton): The Prime Minister did not sneak out the back door. He went to perform the duty of the Prime Minister in relation to receiving the deputy of the Governor General who is coming to give royal assent, and it ill behoves the hon. member to cast a slur of that baseless kind on the Prime Minister. I suggest that if he values his honour as a member of this house he should immediately withdraw that baseless imputation.

Mr. Howard: I do not want to accuse the Prime Minister unfairly of anything, but he did engage in attacks against me and my party, and before I had a chance to say anything he was gone.

The Chairman: I think the hon. member will have to accept the explanation given by the Minister of Finance, because he must take it under the rules of this house.

Having said that, I will put the question: Is it agreed that I rise, report progress and ask for leave to sit again later this day?

Progress reported.

Mr. Howard: Is it understood that after royal assent we shall come back and proceed to deal with private bills?

Mr. Speaker: If the house so decides. This does not put the house into committee. This is simply leaving the door open to return to committee if that should be desired.

Mr. Howard: And if it is not desired?

Mr. Speaker: When shall the committee have leave to sit again?

Some hon. Members: Later this day.

Some hon. Members: Next sitting of the house.

Mr. Speaker: Without unanimous consent the house cannot return to committee later this day. Next sitting of the house.

Royal Assent

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Government House, Ottawa
April 18, 1962

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, P.C., Chief Justice of Canada, in his capacity as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today, the 18th day of April, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
sir,

Your obedient servant,

A. G. Cherrier,
Assistant Secretary
to the Governor General.

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to incorporate Brock Acceptance Company.

An act to incorporate Gerand Acceptance Company.

An act respecting Canada Security Assurance Company.

An act to amend the Canada Grain Act.

An act respecting The Canadian Indemnity Company and the Canadian Fire Insurance Company.

An act respecting Reliance Insurance Company of Canada.

An act to amend the Representation Act.

An act to amend the Veterans' Land Act.

An act to provide for the Reporting of Financial and other Statistics relating to the Affairs of Corporations and Labour Unions carrying on Activities in Canada.

An act to incorporate Greymac Mortgage Corporation.

An act to amend the Customs Act.

An act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1962.

An act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1963.

Mr. Speaker: Before I declare the adjournment, may I say to all hon. members that my wife and I shall be extremely happy if hon. gentlemen wish to join us across the hall after the adjournment. I include in this invitation such members of the press as have survived, and their ladies.

Royal Assent

Mr. Fleming (Eglinton): Mr. Speaker, I am not quite sure what our status is at the moment, it being after six o'clock. However, I believe it would be the wish of all hon. members, whether we are proceeding in a formal sense or an informal sense, that I extend to you at what is no doubt the closing session of this twenty fourth parliament, the thanks of all hon. members for the admirable, fair, good humoured and always pleasant way in which you have presided over our deliberations. If a friendly atmosphere has not always prevailed in the chamber, Mr. Speaker, it is certainly no fault of yours because you have radiated friendliness, fairness and a desire to address yourself to the business before the house. There may not be agreement on all outstanding questions, Mr. Speaker, but on this one I am sure there will be a unanimous feeling in this house in thanking you for the manner in which you have presided over the twenty fourth parliament, as you did over the twenty third parliament.

Perhaps you will not think it amiss, Mr. Speaker, if I associate others with this expression of gratitude to you. I think, of course, of the Clerk of the House and the first assistant and second assistant clerks. They have always been fair, always courteous and always devoted to their duties. I think that all members of this house consider themselves happy indeed that the house has been so admirably served by its officers.

I was not aware that the Prime Minister would be arriving at this particular time, Mr. Speaker, otherwise I might have suggested a few minutes of relaxation pending his arrival. He has indicated to me, however, that I may complete my remarks. In this case, I should like to include as well members of the staff of the house, the Sergeant-at-Arms and his deputy, the staff of this house in all its branches, who served this house so faithfully.

You have been associated and upheld, Mr. Speaker, by two worthy members of this house, the Deputy Speaker and the deputy chairman of committees. They, like you, have presided over the deliberations of the house and committees with fairness, with dignity and have sought as well to make their contributions to the transaction of the business of the house in as pleasant an atmosphere as may be possible in a parliament that is known to have divisions. So, Mr. Speaker, this is an expression that is extended to all who have served this house, and I believe it will be the expression of all hon. members.

Mr. Pickersgill: In the absence of the Leader of the Opposition, which he regrets very much, and in the absence of my hon. friend from Laurier who would normally have followed the Minister of Finance, I may say that I do not think my sentiments could be expressed any better than in the words used by the Minister of Finance. It has not always been the case in the 24th, or even the 23rd parliament, that I have found myself in agreement with the utterances of the Minister of Finance but, at the very close of this parliament, I find myself perforce in agreement with him because we do appreciate the way in which Your Honour—on some occasions that have been quite trying and difficult, when feelings were aroused and when difficult points were raised—has threaded through the intricacies of procedure and come out with decisions which some of us may not always have agreed with but which all of us agreed were always reached objectively and fairly and in the best traditions of the high office you hold.

As for the staff of the house, the Clerk of the House, the Sergeant-at-Arms and all those who assist them in the procedure of the house and in the housekeeping of parliament which has become more difficult as we spread ourselves into more and more real estate, above ground and under ground, I express the warmest feelings of appreciation. I may add we hope that all the digging of tunnels may be completed by the time the next parliament meets.

In all the matters which make for the efficient discharge by this house of the duties we are sent to discharge as the representatives of the people, we have had the unfailing and courteous assistance of the staff who have often worked very long hours under quite trying circumstances. It is not often that we have the opportunity to express the gratitude we feel and I support the Minister of Finance in all he has said about them. Of course that applies particularly to *Hansard*. Perhaps there are few hon. members in the house who have more reason to thank *Hansard* because there are few members who have put a greater burden upon them, according to some of the statistics which I might be inclined to dispute, but which I sometimes read in the press.

As for the Deputy Speaker and the Deputy Chairman of Committees I echo what has been said by the Minister of Finance. Both of these gentlemen have replaced others who fulfilled those functions previously, and in the particular case of the hon. member for Spadina because of circumstances which we all deeply regret.

Perhaps sometimes our differences with the Deputy Speaker and the Deputy Chairman of Committees may have been a little more intense than they ever were with Your Honour. Nevertheless on this occasion I would like to echo the words of the Minister of

Finance with regard to the present occupants of those positions—if they are still the present occupants—those occupants who in a very few minutes will cease to adorn those positions. I express our appreciation of them and of those who preceded them. In doing so I include the junior member of the government who, despite whatever differences we had with him, we always found occupied the chair with dignity and decorum.

Mr. Herridge: Mr. Speaker, I am glad that my last official act as the parliamentary leader of this famous group for this session of parliament is a delightful and pleasant one—to join with the Minister of Finance and the hon. member for Bonavista-Twillingate in expressing our sincere appreciation of your services as Speaker during this parliament.

It has been true that your understanding of human beings, your understanding of the mood of the house, your sense of humour and your spirit of fair play have caused you to be so loved by us and has caused us to have such an appreciation of your period of office. It is for those reasons, Mr. Speaker, that during recent months there has been a growing interest in the house, and in the party for which I have the honour to speak this afternoon, in the proposal that we should have a permanent speaker.

We in this group trust that finally we shall adopt the practice which has been found so satisfactory in Great Britain, namely the appointment of a permanent speaker and that, because he is the permanent speaker, he will receive that due consideration in the difficult periods that come occasionally when the people of a country have to make their decision as to the government they wish to have.

Before concluding I must also express our appreciation of the kindness and hospitality extended to hon. members of the house by your good wife. She is one of the most charming ladies one could imagine.

Some hon. Members: Hear, hear.

Mr. Herridge: Anyone who has attended one of her dinners cannot but realize she knows what a good table is and how to make certain that all present enjoy themselves in the friendliest of atmospheres.

Therefore, Mr. Speaker, on behalf of this group, and I might say we all expect to be back after the next election, we trust you will have an enjoyable holiday and will return refreshed to the coming parliament and that we will find, should that parliament decide early in its proceedings to make provision for the office of a permanent speaker, you will grace it.

Mr. Speaker: I trust hon. members will permit me one word more. In view of the kind and gracious things that have been said I should like to acknowledge, first on behalf of my associates in the chair and in committee, the words of appreciation which have so properly been spoken about them. Then I should like to acknowledge the appreciation expressed for the officers at the table, the Clerk of the House, the Assistant Clerk, the Sergeant-at-Arms and others who have served the house so well and upon whom we all depend so greatly. For them I am sure I express their gratitude that their services, so often ignored, have been properly acknowledged in these closing hours. Likewise for my wife I could not be more appreciative of the words which have been said about her.

For myself, of course, I would like to say a great deal more than would be acceptable. May I put it simply—that these years in the 24th and 23rd parliaments have been years of great happiness and interest. They have been years of happiness because of the co-operation which the house, on all sides, has extended unfailingly to me, both when I was right and when I was not so right. So I say, not without some feeling, that I am grateful for everything that has been said in this final hour. What I should say to you I am not quite sure as you go out to the experience we shall all share in common. Perhaps the best I can do would be to renew the invitation to join me across the hall, and wish you all many happy returns.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, before the formal adjournment of the house is asked for I should like once more to ask hon. gentlemen in the New Democratic party whether they would be prepared to continue this session until the conclusion of that portion of business which was being considered at the time we resorted to the other place. I make that appeal; I shall do no more. If there is no hope of that appeal receiving the consideration which I would have expected it would receive, then of course there is nothing more to do than for the house leader to move the adjournment of the house. I think tomorrow may be the date when His Excellency will receive the advice and the dissolution already indicated will become effective.

Mr. Churchill: Mr. Speaker, I would move the adjournment of the house until April 26.

Business of the House

Mr. Speaker: By leave the house could entertain a motion; it is after six o'clock. Does the house agree to entertain a motion to adjourn?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Hon. Gordon Churchill (Minister of Veterans Affairs) moved:

That when this house adjourns on Wednesday, April 18, it stand adjourned until Thursday, April 26, 1962.

Mr. Pickersgill: Mr. Speaker, I wonder if I could ask the house leader what the business will be on April 26.

Mr. Churchill: I will confer with the hon. gentleman before we resume.

Motion agreed to.

It being forty five minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

The twenty fourth parliament was dissolved on Thursday, April 19, 1962, by proclamation of His Excellency the Governor General.

END OF SESSION